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**AMENDMENT
TO
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
HIGH FOREST RANCH**

This Amendment to Covenants, Conditions, Restrictions and Easements for High Forest Ranch is dated as of April __, 2001.

Elite Properties of America, Inc., a Colorado corporation, as Declarant ("Declarant"), executed and recorded its Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch on March 27, 2001 at Reception No. 201036670 (the "Covenants").

Pursuant to the terms of Section 15.2 of the Covenants, Declarant, prior to the transfer of title to any of the Lots described therein, desires to amend Section 11.6 (b) of the Covenants to add the missing word "years" to that section.

NOW, THEREFORE, Section 11.6 (b) of the Covenants is hereby deleted in its entirety and the following language is substituted in its place:

"(b) Three (3) years following the date on which an amendment to this Declaration is recorded in the real property records of El Paso County, Colorado, which annexes High Forest Ranch Filing No. 2 into this Declaration."

As modified herein, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the Association has executed this Amendment to Declaration as of the date first above written.

ATTEST:

Elite Properties of America, Inc.,
a Colorado corporation

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this ____ day of _____, 2001,
by _____, as _____ and _____
as _____ of Elite Properties of America, Inc., a Colorado corporation.

Witness my hand and official seal.

My Commission Expires: _____

Notary Public



AMENDMENT ANNEXING PROPERTY
INTO
THE DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
HIGH FOREST RANCH

(High Forest Ranch Filing No. 2)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, **Elite Properties of America, Inc.**, a Colorado corporation (hereinafter called "Declarant") recorded upon certain real property (the "Property") a Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch on March 27, 2001, at Reception No. 201036670 of the real property records of the County of El Paso, State of Colorado, as amended by that certain Amendment to Covenants, Conditions, Restrictions and Easements for High Forest Ranch, dated as of April 5, 2001, and recorded at Reception No. 201044763 of the real property records of El Paso County, Colorado and that certain Second Amendment to Covenants, Conditions, Restrictions and Easements for High Forest Ranch, recorded March 25, 2002 at Reception No. 202046554 of the real property records of El Paso County, Colorado (collectively, the "Declaration").

WHEREAS, Article 10 of the Declaration permits the Declarant to annex into the Declaration all or portions of the additional property described in Section 1.4 of the Declaration as the "Expansion Property" without the consent of the individual homeowner;

WHEREAS, all of the real property contained within the plat of High Forest Ranch Filing No. 2, which was recorded on August 14, 2002, at Reception No. 202134767 of the real property records of El Paso County, Colorado (hereinafter called the "Annexed Property") is located within the Expansion Property described in the Declaration;

WHEREAS, the Declarant desires to submit the Annexed Property to the Declaration, as provided in Article 10 of the Declaration.

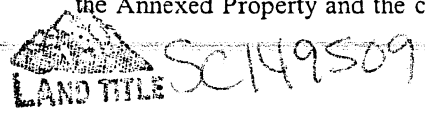
NOW THEREFORE, the Declarant does hereby publish and declare that the following terms, conditions, covenants, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land encompassing the Annexed Property and shall be a burden and benefit to the undersigned, its successors and assigns and to any person acquiring, using, encumbering, having, or owning an interest in the Property (as defined in the Declaration) or the Annexed Property, or both, and their grantees, successors, heirs, executors, administrators, devisees or assigns:

1. Annexation.

The Declarant does hereby annex the Annexed Property, together with all improvements thereon and rights appurtenant thereto, but subject to any and all covenants, restrictions, rights, easements and matters of record, to the Property, and the Declarant hereby declares that the Annexed Property shall be held, sold, used, encumbered, improved, occupied, owned, resided upon, hypothecated and conveyed subject to the easements, restrictions, covenants, provisions and conditions of the Declaration, including without any amendments and supplements thereto, and any documents of instruments described therein, all of which are for the purpose of enhancing and protecting the desirability and attractiveness of the Annexed Property and all of which shall run with the land and be binding upon all parties having any right, title or interest in the Property or the Annexed Property or any part thereof, their heirs, successors and assigns and which shall inure to the benefit of each owner thereof.

2. Relation of this Amendment Supplement to the Declaration.

A. The provisions contained in this Amendment shall be an amendment, addition and supplement to the provisions contained in the Declaration. All provisions of the Declaration shall be applicable to the Annexed Property and the common elements or areas and lots located or to be located therein. The definitions



used in the Declaration shall automatically be expanded to encompass and refer to the Property as expanded hereby; e.g., "Property" shall mean the real property described in Exhibit "A" to the Declaration plus the additional real property contained within the recorded plat of High Forest Ranch Filing No. 2; reference to the Declaration shall mean the Declaration as amended and supplemented hereby, and as previously or subsequently amended and supplemented.

B. Pursuant to the Declaration, the Declarant has reserved and hereby reaffirms its right to add additional property to the Declaration, and the Declarant's annexation right under the Declaration may be exercised at different times and as to different properties, and so no assurances are or have been made regarding the boundaries of any portion of real property which may be annexed nor the order in which said portion may be annexed. If the Declarant exercises any right to annex additional real property into the Declaration, the Declarant is not required to exercise any other development rights as to any additional property.

3. Acceptance of Provisions of All Documents/Waiver of Homestead.

Each Owner of a Lot within the Annexed Property covenants and agrees, by acceptance of any right, title or interest such Lot, to be bound by the terms and provisions of the Declaration, the recorded plat, this Amendment, the Articles of Incorporation and Bylaws of the Association.

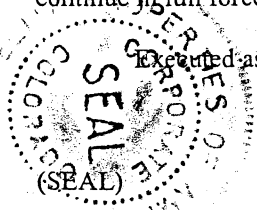
4. General.

A. If any of the provision of this Amendment or any paragraph, sentence, clause, phase or work or application thereof in any circumstances shall be invalidated, such invalidity shall not affect the validity of the remainder of this Amendment or the annexation hereunder or the Declaration, and such invalidity shall not affect the validity of any other provision, paragraph, sentence, clause, phrase or work.

B. Whenever used herein, unless the context shall provide otherwise, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

C. The covenants, terms and provisions of this Amendment and of the Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association, and each Owner of a Lot, and the heirs, personal representatives, successors and assigns of each of them. Except as amended hereby, the Declaration shall continue in full force and effect in accordance with its unamended provisions.

Executed as of SEPT 4, 2002.



DECLARANT:

Elite Properties of America, Inc.,
a Colorado corporation

ATTEST:

[Signature]
Secretary

[Signature]
Its: [Signature]

CERTIFIED BY:

High Forest Ranch Homeowners
Association, a Colorado Non-Profit
Corporation

(SEAL)

ATTEST:

[Signature]
Secretary

By: [Signature]
President

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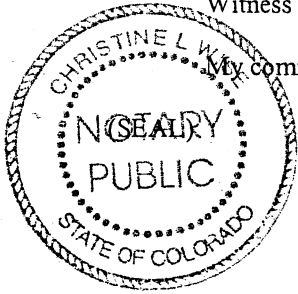
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STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

This document was acknowledged before me this 4th day of September, 2002, by Joseph Weidelt as President of High Forest Ranch Homeowners Association, a Colorado Non-Profit Corporation.

Witness my hand and official seal.



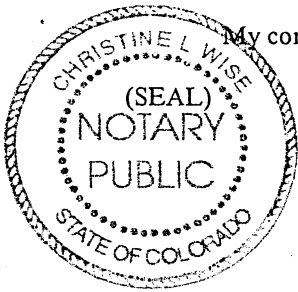
My commission expires: 12-02-2005.

Christine L. Wise
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

This document was acknowledged before me this 4th day of September, 2002, by Douglas M. Stimpfle as President and George A. Lenz as EVP / Asst. Secretary of Elite Properties of America, Inc., a Colorado corporation, as Manager of Classic Development - Wobds LLC, a Colorado limited liability company.

Witness my hand and official seal.



My commission expires: 12-02-2005.

Christine L. Wise
Notary Public



**SECOND AMENDMENT
TO
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
HIGH FOREST RANCH**

This SECOND AMENDMENT TO COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR HIGH FOREST RANCH is dated as of March ~~22~~, 2002.

Elite Properties of America, Inc., a Colorado corporation, as Declarant ("Declarant"), executed and recorded its Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch on March 27, 2001, at Reception No. 201036670, as amended by that certain Amendment to Covenants, Conditions, Restrictions and Easements for High Forest Ranch, dated as of April 5, 2001, and recorded at Reception No. 201044763 of the real property records of El Paso County, Colorado (jointly, the "Covenants").

Pursuant to the terms of Section 15.3 of the Covenants, Declarant and the Owners of at least sixty-seven percent (67%) of the voting power of the Association (as defined in the Covenants) desire to amend certain provisions of the Covenants to accurately reflect the references to the Expansion Property as Filing No. 2 and Filing No. 3, rather than merely a single Filing No. 2, as contemplated at the time of the initial recordation of the Covenants.

NOW, THEREFORE, the Covenants are hereby amended as follows:

1. General Scheme and Plan of Community Area.

a. Section 1.4, General Scheme and Plan of Community Area, is hereby amended by deleting the following sentence: "Any references contained herein to Filing No. 2 are for convenience only and will only be effective is such referenced Filing No. 2 Lot is expressly added to the Community Area as provided herein." and the following sentence is substituted in its place: "Any references contained herein to either Filing No. 2 or to Filing No. 3 are for convenience only and will only be effective if such referenced Filing No. 2 or Filing No. 3 Lot is expressly added to the Community Area as provided herein."

b. In addition, the following sentence is added to the end of the initial paragraph of Section 1.4: "It is hereby acknowledged that the Expansion Property, as described on Exhibit B to the Covenants, will be plated as Filing No. 2 and Filing No. 3, rather than a single Filing No. 2, as initially conceived."

c. The last paragraph of Section 1.4 of the Covenants is hereby deleted in its entirety and the following language is substituted in its place: "The Owners of Lot 14, High Forest Ranch, Filing No. 1, and Lots 48 through 55, High Forest Ranch, Filing No. 2 (collectively, the "Horse Lots" and, individually, the "Horse Lot") will be permitted to maintain large mature animals within the specified Lots in accordance with the terms and limitations described in this Declaration.



The Owners of the non-Horse Lots within the Community Area will not have the rights to maintain large mature animals within their Lots.”

2. Association Properties. Section 2.5 (e) of the Covenants, Association Properties, is hereby deleted in its entirety and the following language is substituted in its place:

“(e) tracts of open space, including, without limitation, Tracts B, C, D and E, High Forest Ranch, Filing No. 1, and Tract D, High Forest Ranch, Filing No. 2, and Tract C, High Forest Ranch, Filing No. 3 and trails through the Community Area which the Association owns or for which the Association has a maintenance obligation (excluding those trails described in Section 4.14 of the Declaration), which cannot be precisely described at this time but which Declarant may convey to the Association in the future;”

3. Equestrian Trails and Riding Areas. The first sentence of Section 4.14, Equestrian Trails and Riding Areas, is hereby deleted and the following language is substituted in its place:

“Lots 48 through 55, inclusive, in High Forest Ranch, Filing No. 2 each contain an Equestrian Easement for the benefit of the Owner of the Horse Lots, as shown on the Plats (the “Equestrian Easements”).”

4. Potential County Right of Way. Section 4.15 of the Covenants, Potential County Right of Way, contains numerous references to Filing No. 2 and, therefore, is hereby deleted in its entirety and the following language is substituted in its place:

“Section 4.15 Potential County Right of Way. Lots 35, 36, 51, 52 and 53, High Forest Ranch, Filing No. 2, are each located on the east boundary of the Expansion Property, as described on **Exhibit B** to this Declaration. Each such Lot is hereby expressly made subject to the Declarant’s irrevocable offer to dedicate to the County a 60 foot right-of-way to be located adjacent to the easternmost boundary of Lots 35, 36, 51, 52 and 53, High Forest Ranch, Filing No. 2. This irrevocable offer to dedicate 60 feet of right-of-way shall remain open to acceptance by the County for no later than ninety-nine (99) years from the date of recording of the final plat of this Subdivision (the “Acceptance Deadline”). The County may accept the offer to dedicate at any time by any means of acceptance allowed by law as of the time of acceptance, provided that such offer is accepted by the Acceptance Deadline as set forth herein. The County shall be entitled to accept the offer and use the same for right-of-way at no additional cost to the County and without any obligation whatsoever to pay any form of compensation to the owners of said Lots for the value of the real estate and any improvements thereon. Until the County accepts the offer to dedicate or until the Acceptance Deadline expires, whichever occurs first, Lots 35, 36, 51, 52 and 53, High Forest Ranch, Filing No. 2, are subject to an exclusive easement (except that underground utilities may be located within the easement area) in gross for the sole benefit of the Board of County Commissioners of El Paso County for future road purposes. The right-of-way offer and easement described in this Section 4.15 shall be documented on the final plat of this Subdivision in a manner reasonably acceptable to the County. The right-of-way offer and easement described in this Section 4.15 shall be documented on the final plat of this Subdivision in a manner reasonably acceptable to the County and in a written

Agreement between the Declarant, the Owners of the impacted Lots, and the County, to be recorded contemporaneously with High Forest Ranch, Filing No. 2. The Association and each Owner of Lots 35, 36, 51, 52 and 53, High Forest Ranch, Filing No. 2, hereby acknowledge that no Dwelling Units, no fence, or no other building or structure shall be constructed or located within the 60 foot easement and potential right-of-way as described above in the final plat of the Expansion Property.

5. Roadway Maintenance. Section 5.23, Roadway Maintenance, is hereby amended by deleting the reference to Tract D, High Forest Ranch, Filing No. 2, which is located in the third sentence of Section 5.23 and substituting the following language in its place: "Tract D, High Forest Ranch, Filing No. 2 and Tract D, High Forest Ranch, Filing No. 3."

6. Rate of Assessments. Section 11.6 (b), Rate of Assessments, is hereby deleted in its entirety and the following language is substituted in its place:

"Three (3) years following the date on which an amendment to this Declaration is recorded in the real property records of El Paso County, Colorado, which annexes High Forest Ranch, Filing No. 3 into this Declaration."

7. Expansion Property. Exhibit B to the Covenants, The Expansion Property, is hereby amended to delete the following sentence: "To be platted as High Forest Ranch, Filing No. 2, in El Paso County, Colorado." and the following sentence is substituted in its place "To be platted as High Forest Ranch, Filing No. 2 and High Forest Ranch, Filing No. 3, in El Paso County, Colorado."

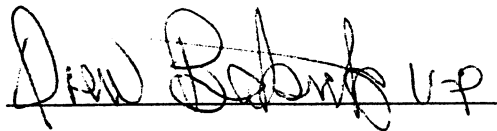
Each of the above amendments is intended to correct references to Filing No. 2 Lots which are now being platted as Filing No. 3 Lots and for no other purpose.

Except as expressly modified herein, the Covenants shall remain unchanged as of the date hereof. As modified herein, the Covenants shall remain in full force and effect.

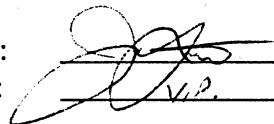
IN WITNESS WHEREOF, the Association has executed this Second Amendment to Covenants, Conditions, Restrictions and Easements for High Forest Ranch as of the date first above written.

ATTEST:

Elite Properties of America, Inc.,
a Colorado corporation



By:
Its:

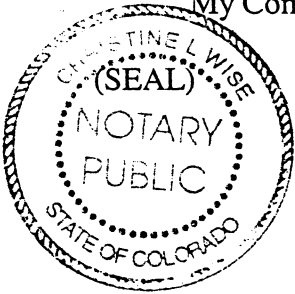


STATE OF COLORADO)
) ss.
COUNTY OF El Paso)

The foregoing instrument was acknowledged before me this 22nd day of March, 2002, by Joseph Lordolt as Vice President of **Elite Properties of America, Inc.**, a Colorado corporation.

Witness my hand and official seal.

My Commission Expires: 12-02-2005



Cristine R. Wise
Notary Public

J. Patrick Kelly El Paso Cty, CO 202046554
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**CLARIFICATION OF
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS
FOR
HIGH FOREST RANCH**

This CLARIFICATION OF DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR HIGH FOREST RANCH is dated effective as of _____, 2004 (the "Clarification").

Elite Properties of America, Inc., a Colorado corporation, as Declarant ("Declarant"), executed and recorded that certain Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch on March 27, 2001, at Reception No. 201036670, as amended by that certain Amendment to Covenants, Conditions, Restrictions and Easements for High Forest Ranch, dated as of April 5, 2001, and recorded at Reception No. 201044763 of the real property records of El Paso County, Colorado and that certain Second Amendment to Covenants, Conditions, Restrictions and Easements for High Forest Ranch, dated as of March 25, 2002, and recorded at Reception No. 202046554 of the real property records of El Paso County, Colorado (collectively, the "Covenants" or the "Declaration"). All capitalized terms used in this Clarification without definition will have the meaning ascribed to them in the Declaration.

Pursuant to Section 15.24 of the Covenants, Declarant has the authority to interpret the true intent or meaning of any of the terms of the Declaration during the period of Declarant Control (as defined in the Covenants). The Declarant desires to exercise its Interpretive Authority to clarify the meaning of various plat Filing references in the Covenants and Section 11.6 of the Declaration.

NOW, THEREFORE, the Covenants are hereby interpreted as follows:

1. **Filing No. 3 References.** The Declaration contains various references to High Forest Ranch Filing No. 3, including without limitation the references contained in Sections 1.4, 2.5 (e), 5.23, 11.6 (b) and Exhibit B of the Declaration. In addition to the specific references to High Forest Ranch Filing No. 3 in the Declaration, Section 1.4 of the Declaration (General Scheme and Plan of Community Area) states that the references to High Forest Ranch Filing No. 2 and High Forest Ranch Filing No. 3 are for convenience only and will only be effective if such referenced Lot is expressly added to the Community Area. The Community Area now consists of High Forest Ranch Filing No. 1 and High Forest Ranch Filing No. 2. The property which was referred to as High Forest Ranch Filing No. 3 has not been annexed into the Community Area as of the date of this Clarification.

In an effort to avoid confusion regarding the general and specific references to High Forest Ranch Filing No. 3 which are included within the Covenants, especially in light of the Declarant's possible phased annexation into the Community Area of what was originally referred to as High Forest Ranch Filing No. 3, the Declarant hereby interprets the Declaration with respect to all

references therein to High Forest Ranch Filing No. 3, including without limitation the references contained in Sections 1.4, 2.5 (e), 5.23, 11.6 (b) and Exhibit B, as follows:

All references in the Declaration to High Forest Ranch Filing No. 3, or any portion thereof, are for convenience only and do not limit any of Declarant's rights provided for in the Declaration, including without limitation its right to annex all or portions of the Expansion Property from time to time into the Community Area as provided for in the Declaration. In the event that the Declarant exercises its right to annex all or portions of the Expansion Property into the Community Area, it may at that time identify the portion of the annexed property which will be designated as Association Property, including any roadways located therein as shown on the applicable plat of the annexed property, and the Association will thereafter be obligated to maintain all such Association Property as provided for in the Declaration.

2. **Rate of Common Assessments.**

The relevant portion of Section 11.6 of the Declaration reads as follows:

Common Assessments shall not cease to differ depending on whether or not a Lot contains a completed Dwelling Unit as of the following dates (the "Transition Date"):

The intent of this sentence is to provide a Transition Date upon which the Common Assessments will be equal, regardless of whether a Lot contains a completed Dwelling Unit as of the Transition Date. Due to an error in drafting, the double negative "shall not cease to differ" was included, while the intent of the Declarant was to state either "shall cease to differ" or "shall not differ." Thus, regardless of whether a Lot contains a completed Dwelling Unit as of the applicable Transition Date, the Common Assessments shall not differ between Lots following the applicable Transition Date.

3. **Transition Dates.**

Section 11.6 (b), as amended, reads as follows:

(b) Three years following the date on which an amendment to this Declaration is recorded in the real property records of El Paso County, Colorado, which annexes High Forest Ranch, Filing No. 3 into this Declaration.

The intent of this Section 11.6 (b) is to provide a Transition Date for each High Forest Ranch Filing following High Forest Ranch Filing No. 1. The Transition Date for any filing is intended to be three (3) years following the date on which an annexation amendment to the Declaration is recorded in the real property records of El Paso County, Colorado. Thus, the Transition Date for High Forest Ranch Filing No. 2 is three (3) years following the date on which an annexation amendment to the Declaration for High Forest Ranch Filing No. 2 is recorded in the real property records of El Paso County, Colorado and the Transition Date for portions of the Expansion Property which are hereafter

annexed into the Community Area, if any, will be three (3) years following the date an annexation amendment to the Declaration for such property is recorded in the real property records of El Paso County, Colorado.

Except as clarified herein, the Covenants shall remain unchanged as of the date hereof, and shall remain in full force and effect.

IN WITNESS WHEREOF, of Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch as of the date first above written.

ATTEST:

Elite Properties of America, Inc.,
a Colorado corporation

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me on _____, 2004, by _____ as _____ of **Elite Properties of America, Inc.**, a Colorado corporation.

Witness my hand and official seal.

My Commission Expires: _____
(SEAL)

Notary Public

CONSENT OF THE ASSOCIATION

High Forest Ranch Homeowners Association, a Colorado nonprofit corporation, hereby consents to the foregoing Clarification of Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch and the terms thereof.

High Forest Ranch Homeowners Association, a Colorado nonprofit corporation

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me on _____, 2004, by
_____ as _____ of **High
Forest Ranch Homeowners Association**, a Colorado nonprofit corporation.

Witness my hand and official seal.

My Commission Expires: _____.

(SEAL)

Notary Public

EL PASO COUNTY CLERK AND RECORDER: INDEX IN
GRANTEE INDICES UNDER HIGH FOREST RANCH AND
HIGH FOREST RANCH HOMEOWNERS ASSOCIATION AND
UNDER GRANTOR, ELITE PROPERTIES OF AMERICA, INC.,
A COLORADO CORPORATION.


DECLARATION

of

Covenants, Conditions, Restrictions and Easements

for

High Forest Ranch

J. Patrick Kelly El Paso Cty, CO
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EXHIBITS:

- Exhibit A** - Legal Description of the Community Area
- Exhibit B** - Expansion Property
- Exhibit C** - The Shamrock Easement
- Exhibit D** - The Detention Basin Areas

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DECLARATION

of

Covenants, Conditions, Restrictions and Easements

for

High Forest Ranch

This Declaration is made as of March 20, 2001, by Elite Properties of America, Inc., a Colorado corporation ("Declarant"), in order to create a common interest community pursuant to the Colorado Common Interest Ownership Act.

ARTICLE I GENERAL

Section 1.1 Common Interest Community. The name of the common interest community created by this Declaration is "High Forest Ranch." High Forest Ranch is a planned community as defined in the Colorado Common Interest Ownership Act, Section 38-33.3-103 (22), Colorado Revised Statutes. All of High Forest Ranch is located in El Paso County, Colorado.

Section 1.2 Property Affected. Classic Development - Woods LLC, a Colorado limited liability company ("Current Owner") owns certain real property in the El Paso County, Colorado described on **Exhibit A** attached hereto and incorporated herein by this reference and hereby consent to the property described on **Exhibit A** being made subject to this Declaration. The property described on **Exhibit A** is referred to in this Declaration as the "Community Area." The Current Owner also has rights to acquire that additional real property described on **Exhibit B** attached hereto and incorporated herein by this reference. Declarant, with the consent of the Current Owner, hereby reserves the right to add the real property described in **Exhibit B** to the Community Area.

Section 1.3 Purposes of Declaration. This Declaration is executed and recorded (a) in furtherance of a common and general plan for those parcels of land which are part of the Community Area; (b) to protect and enhance the quality, desirability and attractiveness of all property within the Community Area; (c) to provide for the Association to hold, maintain and manage certain common properties and amenities in the Community Area and to perform certain functions for the benefit of owners of land within the Community Area; (d) to define the duties, powers and rights of the Association; and (e) to define certain duties, powers and rights of Owners.

Section 1.4 General Scheme and Plan of Community Area. The Community Area created pursuant to this Declaration encompasses all of the property described in **Exhibit A**. Declarant hereby specifically reserves the right to add the real property described in **Exhibit B** to the

Community Area (the "Expansion Property"). If none or only a portion of the Expansion Area is added to the Community Area for any reason, the validity of this Declaration shall not be affected, and this Declaration shall remain in full force and effect as to the Community Area as initially constituted in this Declaration. Unless and until a particular portion of the Expansion Area is added to the Community Area, this Declaration shall be interpreted as not being applicable thereto. Any references contained herein to Filing No. 2 are for convenience only and will only be effective if such referenced Filing No. 2 Lot is expressly added to the Community Area as provided herein.

The overall plan is for the Community Area to be a gated, single family, rural residential development with lots of not less than 2 and one half acres. The entire Community Area is intended to be developed as a first class community developed in accordance with the Design Guide, as amended from time to time. All Lots within the Community Area will be serviced by individual wells and nonevaporative septic systems to be installed and maintained by the individual Lot Owners within his Lot in accordance with all applicable governmental and regulatory requirements as well as the conditions set forth in this Declaration. All of the roadways which are or will be constructed within the Community Area will be private roads that will be maintained by the Association. The entrances into High Forest Ranch will be through gates that are electronically controlled and will either require a pass card or access code for entry. At the entrances into the Community Area, Declarant intends to construct entry features, signage, and Landscaping (the "Entry Features"). At various locations throughout the Community Area, Declarant, if required by the U.S. Postal Service, will construct a "community mailbox" structure. In addition, the Declarant will construct within the Community Area, detention basins as provided in Section 5.22 of this Declaration (the "Detention Basins"), a retention pond as described in Section 4.11 of this Declaration (the "Retention Pond"), a Community Center described in Section 5.21 of this Declaration (the "Community Center"), and various other trails, tracts, and Improvements described as Association owned or maintained Improvements on the Plats and the Supplemental Plats ("Community Related Improvements"). Declarant shall transfer the Entry Features, Detention Basins, Retention Pond, Community Center and the trails and tracts to the Association pursuant to Section 9.2 of this Declaration, and they will thereafter be controlled by the Association. Included within the services that the Association will be authorized to provide will be private and overall community events which the Association, from time to time, deems to be in the best interest of the Association, and the management of the Community Center and overall Community Property, including imposing fees for specified uses of the Community Center. The specific services to be provided at the Community Center and other areas within the Community Property shall be as set forth in the Rules and Regulations that may hereafter be adopted and amended by the Association.

The Owners of Lot 14, High Forest Ranch, Filing No. 1 and Lots 101 through 108, High Forest Ranch, Filing No. 2 (collectively, the "Horse Lots" and individually, "Horse Lot") will be permitted to maintain large mature animals within the specified Lots in accordance with the terms and limitations described in this Declaration. The Owners of the non-Horse Lots within the Community Area will not have the rights to maintain large mature animals within their Lots.

Section 1.5 Declaration. Declarant, for itself, its successors and assigns, hereby declares, with the consent of the Current Owner, that the Community Area, and each part thereof, shall, on and after the date this Declaration is recorded, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions and other provisions set forth in this Declaration, all of which are declared to be a part of and in furtherance of a common and general plan of development, improvement, enhancement and protection of the Community Area. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with Section 15.1 hereof, shall bind, be a charge upon and inure to the mutual benefit of (a) all of the property within the Community Area and each part or parcel thereof; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all other persons and entities having or acquiring any right, title or interest in any property which is part of the Community Area or any part or parcel thereof or any Improvement thereon, and their encumbrancers, claimants, heirs, personal representatives, successors and assigns.

ARTICLE 2
DEFINITIONS

Unless otherwise expressly provided in this Declaration, the following words and phrases, whenever used in this Declaration, shall have the meanings specified in this Article 2.

Section 2.1 Architectural Committee. "Architectural Committee" shall mean the approving authority described in Section 6.1 of this Declaration.

Section 2.2 Assessment. "Assessment" shall mean a "Common Assessment," pursuant to Section 11.3, a "Special Assessment," pursuant to Section 11.8 or a "Site Assessment," pursuant to Section 11.9.

Section 2.3 Association. "Association" shall mean High Forest Ranch Homeowners Association, Inc., a Colorado nonprofit corporation, its successors and assigns.

Section 2.4 Association Documents. "Association Documents" shall mean the various operative documents of the Association, whether recorded or adopted at this time or as the same have been or may be amended, modified, supplemented, or otherwise changed from time to time, all of which are incorporated herein by this reference, and shall include the following:

- (a) the Articles of Incorporation of the Association;
- (b) the Bylaws of the Association;
- (c) this Declaration and all amendments to this Declaration;
- (d) the Plats and any Supplemental Plat;

- (e) the Design Guide;
- (f) the Rules and Regulations; and
- (g) the PUD Development Plan and all amendments thereto.

Section 2.5 Association Properties. "Association Properties" or "Association Property" shall mean all real and personal property, together with any and all Improvements now or hereafter thereon and appurtenances and rights thereto, hereafter owned by the Association or to which the Association does not hold title but hereafter maintains, holds or uses for the common use and enjoyment of all of the Members as provided herein and for other purposes as may be permitted by this Declaration. The Association Properties shall include the tracts of land identified on the Plats or Supplemental Plat as Association Properties, which Declarant will hereafter convey to the Association and which consist of the following:

- (a) all streets and roads within or providing direct access to the Community Area as shown on the Plats, including the Bar Ditches as defined in Section 4.16 of this Declaration.
- (b) the Entry Features, including without limitation, the security gates at the entrances to High Forest Ranch and appurtenant land and facilities, including monumentation and Landscaping;
- (c) the Detention Basin within Tract D, Filing No. 1, the Retention Pond within Tract C, Filing No. 1, the Community Center, and other Improvements which may be located within the Association Properties; and
- (d) the Pedestrian Trail System, as defined in Section 4.13 of this Declaration;
- (e) tracts of open space, including without limitation, Tracts B, C, D and E, High Forest Ranch, Filing No. 1 and Tracts C and D, High Forest Ranch, Filing No. 2, and trails through the Community Area which the Association owns or for which the Association has a maintenance obligation (excluding those trails described in Section 4.14 of the Declaration), which cannot be precisely described at this time but which Declarant may convey to the Association in the future;
- (f) Perimeter Fencing, as defined in Section 4.8 (b) of this Declaration;
- (g) All well, well related Improvements and all well transmission lines created for the benefit of the Association or for the use of any Association Property and which will be located within Tracts within the Community Area which will be owned by the Association;

(h) 43,500 acre feet of water from the not nontributary Dawson aquifer, decreed in Case No. 85CW131, Water Division No. 2, State of Colorado and 40,000 acre feet of nontributary groundwater from the Laramie-Fox Hills aquifer, decreed in Case No. 85CW131, Water Division No. 2, State of Colorado, to be utilized consistent with the terms and conditions of the decree approving plan for augmentation entered in Case No. 99CW167, Water Division No. 2, State of Colorado and 99 CW 237, Water Division No. 1, State of Colorado (collectively, the "Water Rights").

All of the Association Properties will be "common elements" as defined in the Colorado Common Interest Ownership Act, Section 38-33.3-103 (5).

Section 2.6 Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 2.7 Community Area. "Community Area" shall mean the real property described on **Exhibit A**, together with any and all Improvements now or hereafter on such real property and appurtenances and rights to such real property. If and when added by the Declarant, Community Area shall also mean and include that portion of the property described in **Exhibit B** which Declarant elects to make a part of the Community Area as provided in this Declaration. The Community Area will not be expanded to include any property, other than the Property described on **Exhibit B**, without the written approval of a majority of the Owners in the Community Area.

Section 2.8 Declarant. "Declarant" shall mean Elite Properties of America, Inc., a Colorado corporation, its successors and assigns. A Person shall be deemed a "successor and assign" of Elite Properties of America, Inc., as Declarant, only if specifically designated in a duly recorded instrument as a successor or assign of Declarant under this Declaration, and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in the written instrument. Notwithstanding the foregoing, a successor to Elite Properties of America, Inc. by consolidation or merger shall automatically be deemed a successor or assign of Elite Properties of America, Inc. as Declarant under this Declaration.

Section 2.9 Declaration. "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch, in its entirety, including all attached exhibits and all subsequent amendments.

Section 2.10 Design Guide. "Design Guide" shall mean the guidelines adopted by the Architectural Committee pursuant to Section 6.2 setting forth certain architectural, building and development standards and specifications regarding the location and design of Improvements, construction materials, lighting, landscaping, and other matters relating to Improvements on Lots. The Design Guide is incorporated in this Declaration by reference. Copies of the Design Guide are available from the Declarant, the Association or the Architectural Committee. The Design Guide may be changed by the Architectural Committee from time to time as provided in Section 6.2.

Section 2.11 Dwelling Unit. "Dwelling Unit" shall mean an Improvement or any living space within an accessory building located on a Lot which is intended or used for residential occupancy, including, with limitation, any individual single family detached home.

Section 2.12 First Mortgage. "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the Office of the Clerk and Recorder of the County of El Paso, Colorado, pertaining to a Lot and having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments).

Section 2.13 First Mortgagee. "First Mortgagee" shall mean and refer to any Person named as a mortgagee or beneficiary under any First Mortgage or any successor to the interest of any such Person under such First Mortgage.

Section 2.14 Improvements. "Improvements" shall mean all structures and any appurtenances thereto or components thereof of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, tennis courts, basketball backboards and supporting structures, patio covers, awnings, painting or other finish material of any exterior surfaces or any visible structure, additions, walkways, bicycle and/or pedestrian trails, equestrian trails, garages, carports, roads, driveways, culverts, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, and exterior air conditioning and water softener fixtures. "Improvements" shall also mean an excavation or fill the volume of which exceeds two cubic yards, and any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any Lot.

Section 2.15 Landscape. "Landscape" shall mean the treatment of ground surface with live plant materials, wood chips, crushed stone, decorative rocks, mulch materials or other decorative surfacing materials approved by the Architectural Committee. For purpose of this definition, the word "Landscape" shall include all other forms of the word Landscape, such as "Landscaped" and "Landscaping."

Section 2.16 Lot. "Lot" shall mean a parcel of land subject to this Declaration which is shown as a lot on the Plats or any Supplemental Plat, and which is not part of the Association Properties. Each Lot constitutes a "unit" as defined in the Colorado Common Interest Ownership Act, Section 38-33.3-103(30), Colorado Revised Statutes. The maximum number of Lots that may be created within the Community Area is 200.

Section 2.17 Lot Lines. Front, side and rear "Lot Lines" shall be the same as defined in the zoning regulations of El Paso County, Colorado in effect from time to time. In the absence of such a definition, a front Lot Line is each boundary line (whether one or more) between the Lot and any street right of way or Tract. A side Lot Line is any boundary line which meets and forms an angle

with a street except that for a corner Lot with two front Lot Lines, the side Lot Line is the boundary which forms an angle with the street that affords the principal access to the Lot. All other Lot Lines are rear Lot Lines.

Section 2.18 Member. "Member" shall mean a member of the Association, who must also be an Owner. Membership in the Association shall be appurtenant to, and may not be severed from, ownership of a Lot.

Section 2.19 Owner. "Owner" shall mean the record title holder, including Declarant, whether one or more Persons, of fee simple title to a Lot, including sellers under executory contracts under Colorado law.

Section 2.20 Person. "Person" shall mean a natural person, a corporation, a limited liability company, a partnership (including general, limited and limited liability partnerships) or any other public or private entity recognized as being capable of owning real property under Colorado law.

Section 2.21 Plats. "Plats" shall mean the initial plats and all Supplemental Plats of all or a portion of the Community Area.

Section 2.22 PUD Development Plan. "PUD Development Plan" shall mean the PUD Development Plan for High Forest Ranch, as approved by El Paso County, Colorado and recorded at Reception No. 200137897 of the real property records of El Paso County, Colorado, and all amendments thereto.

Section 2.23 Related User. "Related User" shall mean: (a) any Person who resides with an Owner within the Community Area; (b) a guest or invitee of an Owner; (c) an occupant, tenant or contract purchaser or any Dwelling Unit on a Lot; and (d) any family member, guest, employee, agent, representative, licensee, contractor, invitee or cohabitant of any of the foregoing Persons.

Section 2.24 Rules and Regulations. "Rules and Regulations" shall mean the rules and regulations adopted by the Board of Directors as provided in Section 8.9 of this Declaration.

Section 2.25 Supplemental Plat. "Supplemental Plat" shall mean a plat satisfying the requirements of Section 38-33.3-209, Colorado Revised Statutes, recorded pursuant to and meeting the requirements of this Declaration. If the initial plats are of less than all of High Forest Ranch, then Supplemental Plat or Supplemental Plats shall include any subsequent plats of any portion of the real property contained within the PUD Development Plan.

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ARTICLE 3
COVENANTS TO PRESERVE THE RESIDENTIAL
CHARACTER OF THE COMMUNITY AREA

Section 3.1 Property Uses. Except as provided below in this Section 3.1, all Lots in the Community Area shall be used exclusively for private family residential purposes. Human service establishments, including human service homes, human service residences, human service facilities and human service shelters, health care support facilities, hospices and youth homes (as each of such terms are defined in the Zoning Code of El Paso County) and any other similar or dissimilar group home are each prohibited on a Lot and in the Community Area. No Dwelling Unit erected or maintained within the Community Area shall be used or occupied for any purpose other than for a single family dwelling. No business, profession or other activity conducted for gain shall be carried on or within any Lot or Dwelling Unit; provided that any uses that are permitted under the Home Occupation ordinance of El Paso County, as it may be hereafter amended, shall be permitted, subject to the limitations described in this Section 3.1. The Home Occupation ordinance is in Section 35.6 of the El Paso County Land Development Code's, Zoning Regulations. If the Home Occupation ordinance is hereafter repealed, then for purposes of this Declaration and its enforcement, the provisions of the Home Occupation ordinance in effect at the time of the recordation of this Declaration shall be incorporated herein as a part of this Declaration. Any violation of the Home Occupation ordinance shall be a violation of this Declaration. Notwithstanding the above, no Home Occupation shall be permitted which requires employees to be present at any Dwelling Unit within the Community Area or which materially increases the amount of traffic within the Community Area as determined by the Association from time to time. Nothing contained in this Section 3.1 is intended to, nor shall it, prohibit any Owner from constructing Architectural Committee approved accessory buildings on his Lot, which approval shall be sought and granted as provided in this Declaration, other than the requirement to comply with the water Decree, as defined in Section 14.1 of this Declaration. The Association shall have the right, from time to time, to establish Rules and Regulations regarding the use of Dwelling Units for Home Occupations and the use of accessory buildings which are constructed and approved for use as a Dwelling Unit, including the prohibition thereof if required in the Association's reasonable judgement based upon the long term projection of available water domestic supplies for the Community Area and the Association's Water Rights, with the primary Dwelling Units having a priority. **Each Owner hereby acknowledges that the intent of the Association is to NOT PERMIT rental of any living space within an accessory building, unless the Association's Board expressly approves of such use in writing, which approval may contain such limitations and conditions as the Association shall deem advisable from time to time. In addition, any use of an accessory building for living space by a renter, if approved, shall be subject to the Design Guide requirements and restrictions, the provisions of the Decree, Section 14.1 of this Declaration and rules and regulations adopted from time to time by the Association, including without limitation, restrictions regarding the use of Association Properties and additional Lot assessments.**

Section 3.2 Improvements. No Improvement shall be erected within a Lot except single family Dwelling Units as permitted in accordance with the provisions of Section 3.1 of this

Declaration and other Improvements which have been approved by the Architectural Committee. No Improvement, other than a Dwelling Unit and an approved accessory building, and no trailer, tent or other similar or dissimilar temporary quarters may be used for living purposes. No other Improvement may be placed on any Lot before completion of the Dwelling Unit upon such Lot except with the permission of the Architectural Committee.

Section 3.3 Construction Type. All construction shall be new. No building previously used at another location nor any building or Improvement originally constructed as a mobile dwelling may be moved onto a Lot except as expressly provided in Section 3.7 for temporary construction, sales or administration buildings.

Section 3.4 Storage. No building materials shall be stored on any Lot except temporarily during continuous construction of a building or its alteration or improvement unless such building materials are stored in the garage on the Lot or otherwise enclosed and fully screened in a manner approved by the Architectural Committee.

Section 3.5 Completion of Work. No Dwelling Unit shall be occupied in the course of original construction until substantially completed. All construction work shall be prosecuted diligently and continuously from the time of commencement until fully completed.

Section 3.6 Construction Completion. The exterior of all Dwelling Units must be completed within one year after the commencement of construction, and Landscaping and other Improvements on a Lot outside of a Dwelling Unit must be completed within six months after completion of the Dwelling Unit, except where such completion is impossible or would result in great hardship due to strikes, fires, national emergency or natural calamities and except if the Architectural Committee approves a longer period of construction due to unusual circumstances. For purposes of this Section 3.6, "commencement of construction" for a Dwelling Unit is defined as the obtaining of necessary building permits and the excavation of earth for a foundation, and for all other Improvements is defined as the undertaking of any visible exterior work. If construction is not completed within the above time periods or such later time approved by the Architectural Committee, or if construction shall cease for a period of forty-five (45) days without permission of the Architectural Committee, the Architectural Committee will give the Owner of the Improvements involved written notice of such fact, and if construction on such Improvement is not diligently commenced within thirty days (30) after such notice, the unfinished Improvement or unfinished portion thereof shall be deemed a nuisance and shall be removed forthwith by and at the cost of the Owner.

Section 3.7 Construction or Sales Offices. Temporary buildings for construction or administration purposes or for sales offices may be erected or maintained only by Declarant or with the permission of the Declarant or the Architectural Committee. Model homes may be used and exhibited only by Declarant or with the permission of the Declarant or the Architectural Committee. Temporary buildings permitted for construction or administration purposes or for sales offices shall be promptly removed when they cease to be used for these purposes.

Section 3.8 Control During Construction. During the period of construction of a Dwelling Unit or other Improvements on a Lot, the Owner of the Lot or his contractor shall comply with all construction Rules and Regulations which Declarant may establish from time to time. In addition, the Owner of the Lot and his contractor shall control dirt and dust, keep surrounding streets reasonably clean and keep construction debris confined in a trash receptacle. Trash shall be removed from the Lot on a regular basis during the construction period. All construction debris which is blown by the wind shall be collected and placed in the trash receptacle. Construction debris may not be dumped or left on any Lot or on any of the Association Properties permanently. Contractors, subcontractors and construction personnel shall not enter upon any other Lot or any of the Association Property without the permission of the Owner of such property. The storage or placing of construction materials on any street within the Community Area is prohibited at all times. No construction equipment, construction trailers or construction vehicles shall be left overnight on any street with the Community Area.

Section 3.9 Natural Vegetation.

(a) No trees, surface boulders, scrub oak or other natural vegetation shall be removed from any Lot, except (i) as permitted by the Design Guide, (ii) with the prior approval of the Architectural Committee, (iii) as provided in Section 5.12 or (iv) as provided in Section 3.9 (b). In addition, some of the Lots within the Community Area contain Special Areas and/or Preservation Areas as indicated on the PUD Development Plan of the Community Area. Special Areas and Preservation Areas will be subject to the restrictions set forth on the PUD Development Plan. Preservation Areas will also be subject to the restrictions described in Section 3.12 of this Declaration.

(b) Each Owner, solely for purposes of maintaining the overall health of heavily forested areas, thinning will be permitted by removing evergreen trees on his Lot which are less than five inches (5") per caliper. Each Owner will be obligated to remove all brush within 10 feet of his Dwelling Unit and shall prune all dead limbs and thin trees and undertake such other action as required by the Design Guide from time to time. All branches which extend over or under the eaves of the roof of an Improvement shall be trimmed by the Owner thereof.

Section 3.10 Mineral Exploration. No Lot within the Community Area shall be used in any manner to explore for or to remove any oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind. The foregoing is not intended to prohibit temporary drilling to obtain samples in connection with the investigation of soils or temporary drilling necessary in the construction of Improvements.

Section 3.11 Water and Sanitary Facilities. Each Owner hereby acknowledges that the Lots within the Community Area will require the installation and applicable governmental approval of nonevaporative septic systems for sanitary sewer purposes. In addition to all applicable governmental requirements, each such nonevaporative septic system will be required to comply with the provisions contained in Article 14 of this Declaration. Each Owner further acknowledges that

each Lot within the Community Area will require the installation and applicable governmental approval of a domestic water well for water service to the Dwelling Unit. In addition to all applicable governmental requirements, each well, and the use, operation and maintenance thereof, will be required to comply with the water restrictions and requirements contained in Article 14 of this Declaration. In addition, each Owner hereby acknowledges that, although the Association will have the authority to administer and enforce the governmental requirements related to the water rights for the Community Area, including the Lots, as provided in this Declaration, each Owner will remain responsible for ensuring compliance with all governmental restriction and requirements related to such water rights, including meter readings three times each year and ensuring that the Owner's septic system is properly functioning at all times.

Section 3.12 Designation and Use of the Preservation Area. Certain areas within the Community Area have been designated on the Plats of the Community Area, and may be identified on the PUD Development Plan as "Preservation Areas." In addition to the restrictions contained on the PUD Development Plan, the Preservation Area shall be used by each Lot Owner only in such a manner as is consistent with the preservation of the natural growth and shall not be subjected to any kind of intensive or destructive use or any activity which might result in permanent damage to the existing natural growth. In amplification and not in limitation of this general restriction the following specific restrictions are imposed on the Preservation Area:

- (a) No planting or cultivation shall be permitted except planting and cultivation of plants native to the Pikes Peak region.
- (b) No alteration of ground conditions and no clearing of living growth shall be permitted, except for the removal of noxious weeds, trees infected with beetles, such insects or disease infected plants as specified from time to time by the Architectural Committee and the management of mistletoe or such diseases as directed from time to time by the Architectural Committee.
- (c) No structures or installations of any kind shall be permitted, other than fencing approved in accordance with this Declaration, Equestrian Trails, construction of wells and any other improvements permitted pursuant to the easements shown on the Plats or Supplemental Plats.
- (d) No activity tending to produce litter shall be permitted.
- (e) No obstruction of any kind of the natural flow of water through any drainage channels or Preservation Areas shall be allowed.

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ARTICLE 4
DENSITY, SETBACK AND QUALITY STANDARDS

Section 4.1 Limitation on Dwellings and Subdivisions. No more than one Dwelling Unit shall be erected or maintained within any Lot, except in accordance with the terms and conditions set forth in Section 3.1 of this Declaration. No Lot shall be replatted or otherwise subdivided. Lot Line adjustments which do not result in an increase in the number of Lots and which are made to accommodate building plans approved by the Architectural Committee may be approved by the Architectural Committee in its sole discretion. This Section 4.1 does not apply to and shall not restrict Declarant's rights under Section 10.3.

Section 4.2 Setbacks. The setback distances of Dwelling Units and other Improvements from Lot Lines shall be determined in accordance with the PUD Development Plan applicable to the Lot in question and in accordance with the Design Guide. Each Owner hereby acknowledges that a ninety (90) foot front setback will be imposed upon for each Lot, unless otherwise approved in writing by the Architectural Committee and all applicable governmental authorities. All construction must also conform to the setback requirements of the building code, zoning code and subdivision regulations of El Paso County, Colorado. Fences shall not be subject to any setback building requirements contained in this Declaration or in the Design Guide and may be erected or placed within the setback zone, up to and including being placed on the Lot Line, subject to receipt of all applicable approvals required pursuant to this Declaration and the Design Guide and without interference with any Equestrian Easement or any portions of the Pedestrian Trail System.

Section 4.3 Dwelling Area Requirements. The minimum size requirement for Dwelling Units shall be determined in accordance with the Design Guide and the Architectural Committee's approval process described in Article 6.

Section 4.4 Height Restrictions. All Dwelling Units and other Improvements shall be subject to a height restriction of 35 feet, as measured in accordance with the El Paso County zoning code. In addition, the height of Dwelling Units and other Improvements shall be in compliance with the Design Guide and the PUD Development Plan.

Section 4.5 Exterior Colors and Materials. All exterior colors and materials, including roofing materials, used on Dwelling Units and other Improvements must be approved by the Architectural Committee. Acceptable materials and standards for approval shall be described in the Design Guide. The use of natural materials, such as wood, stucco, brick and stone will be encouraged, and colors which are consistent with the color palettes which will be dealt with in the Design Guide will be required. Long unbroken roof lines will be avoided. Natural appearing materials are encouraged.

Section 4.6 Antennae and Roof Projections; Satellite Dishes. Except as provided below in this Section 4.6, no aerial, antenna, or other device for reception or transmission of radio or television or other electronic signals shall be maintained on the roof of any building, nor shall any

such aerial, antenna or other device be mounted at any location so as to be visible from neighboring properties or adjacent streets. Plans for structures, other than FCC Protected Structures, as defined below, must be submitted to and approved by the Architectural Committee prior to installation. If the Architectural Committee disapproves such structure, the party requesting approval may modify its plans to eliminate the Architectural Committee's objections and resubmit them for approval. If any such aerial, antenna, satellite dish or other device is installed without the approval of the Architectural Committee, the Architectural Committee shall have the rights set forth in these Covenants. Notwithstanding the above, an antenna that is of a kind which may not be prohibited pursuant to the terms of the Federal Communications Commission or the Telecommunications Act of 1996, as may be amended from time to time (collectively, "FCC Protected Structures"), shall be permitted so long as the means, method and location of such FCC Protected Structures comply with the permitted rules adopted from time to time by the Architectural Committee. No unreasonable delay or unreasonable increase in the cost or installation or maintenance of an FCC Protected Structure shall be imposed by such rules, nor shall the rules prevent reception or otherwise make reception impossible for any Owner who shall seek to install an FCC Protected Structure, other than for health and safety reasons.

Section 4.7 Rebuilding or Restoration. If any Dwelling Unit or other Improvement is destroyed in whole or in part by fire, windstorm or from any other cause or act of God, it must be rebuilt or all debris must be removed and the Lot restored to a slightly condition. Such rebuilding or restoration must be commenced within three months after the damage or destruction occurs and thereafter diligently pursued to completion within a reasonable time, not to exceed 6 months after the date the damage occurred or such longer period of time as may be approved by the Architectural Committee due to unusual circumstances. If restoration, rebuilding or removal is not completed within the above time periods or such later time approved by the Architectural Committee, or if the restoration, rebuilding or removal shall cease for a period of sixty days without permission of the Architectural Committee, the Architectural Committee will give the Owner of the Lot involved written notice of such fact, and if the restoration, rebuilding or removal of the Improvements is not diligently commenced within thirty days after such notice, the damaged or destroyed Improvements shall be deemed a nuisance. The Association shall have the right thereafter to enter upon the Lot involved and remove the damaged or destroyed Improvements at the expense of the Owner. Such an entry and removal shall not be deemed a trespass and the Owner shall be liable for all costs incurred in connection with the removal.

Section 4.8 Fences.

(a) No fences, other than those described below, shall be erected on any Lot or elsewhere in the Community Area, except in accordance with plans and specifications approved in advance by the Architectural Committee.

(b) The Declarant is hereby granted the right, but not the obligation, to construct a fence along that portion of the Community Area which borders Hodgen Road and Highway 83 and the Association, at its sole election, shall have the right, but not the obligation, to

construct a perimeter fence along all or a portion of the remaining boundaries of the Community Area, excluding the Shamrock Fence defined below (collectively, the "Perimeter Fencing"). If either the Declarant or the Association elects to construct Perimeter Fencing, and the Association does not enter into a Maintenance Agreement with a third party regarding such maintenance, the Association shall be obligated to maintain such Perimeter Fencing as an Association Property. The Declarant and the Association are hereby granted easements to construct and maintain all Perimeter Fencing. Nothing contained herein is intended to, nor will it, obviate the need to obtain any required County approvals for any Perimeter Fence, whether constructed by Declarant or the Association.

(c) Each Owner of a Horse Lot shall have the right, subject to Architectural Committee approval as provided in this Declaration and compliance with the Design Guide, to construct a fence along the boundary of that portion of the Equestrian Easement (defined in Section 4.14 of this Declaration) which is located within that Owner's Lot. No such fencing shall be installed in a manner which interferes with the use of the Equestrian Easement for its intended purpose.

(d) Each Owner hereby acknowledges that a fence has or will be constructed along the southern boundary of the Community Area which borders the real property commonly known as the "Shamrock Ranch Property" (the "Shamrock Fence"). The Shamrock Fence has or will be constructed on the Shamrock Ranch property and not within the Community Property and will not be subject to the approval of the Association as provided in this Declaration. The Shamrock Fence will be owned and maintained by the owner of the Shamrock Ranch property. Neither the Association or any Owner will remove, alter or attach any items to the Shamrock Fence, nor will the Association or any Owner interfere with the gate within the Shamrock Fence which will provide access to the Shamrock Easement, as further described in Section 4.12 of this Declaration. Each Owner further acknowledges that neither he nor any Related User shall have any right to enter onto or use in any way any portion of the Shamrock Ranch Property.

Section 4.9 Detention Basin. The Owners of Lot 14, Filing No. 1 and Lot 29, Filing No. 1, as well as the Association as the Owner of Tract D, Filing No. 1, hereby respectively acknowledge that the above-described properties do or will contain a Detention Basin or Basins, as provided in Section 5.22 of this Declaration and in the Private Detention Basin Agreement defined in Section 5.22 of this Declaration, and will be subject to the related easements described therein.

Section 4.10 Well Sites. Certain other Lots are subject to the terms and conditions of that certain Grant of Water Rights Easement, executed by and between Pulpit Rock Investments, LLC, a Colorado limited liability company and Shamrock Investments, LLC, a Wyoming limited liability company, recorded at Reception No. 99188269 of the real property records of El Paso County, Colorado, as may be amended (the "Vickers Agreement"). The Vickers Agreement includes, without limitation, the right to construct and maintain a water tank within Lot 14, High Forest Filing No. 1.

Section 4.11 Retention Pond. The Declarant shall have the right, but not the obligation, to construct within Tract C, High Forest, Filing No. 1 a Retention Pond which, if constructed, will be designed to hold water and will be an Association Property. Although any Retention Pond which is constructed by the Declarant will be a part of the drainage system for the Community Area, it may also be used by Owners and the Association as a community recreational area, including as a fishing area. Each Owner hereby acknowledges that the Retention Pond is not to be used for swimming, no lifeguards will be on duty at the Retention Pond and the water quality will not be monitored. Each Owner acknowledges that it will be solely responsible for ensuring his own safety and the safety of each of his Related Users regarding the use and enjoyment of the Retention Pond. Each Owner hereby expressly releases the Declarant, all other Owners of property within the Community Area and the Association from any and all liability related to the existence of the Retention Pond and the use thereof by an Owner or his Related Users.

Section 4.12 Shamrock Easement. Each Owner hereby acknowledges that the Community Area is subject to an equestrian easement recorded at Reception No. 95099830 of the real property records of El Paso County, Colorado (the "Shamrock Easement"). The Shamrock Easement permits, among other things, the beneficiary of the easement to use certain property within the Community Area for equestrian riding purposes. The Shamrock Easement is located as described on **Exhibit C** attached hereto and incorporated herein by this reference. Each Owner acknowledges that the beneficiaries of the Shamrock Easement shall be the only persons permitted to use the Shamrock Easement for equestrian riding purposes until such time, if at all, that the Shamrock Easement becomes a public easement which permits equestrian riding. The Owners will be permitted to use the Shamrock Easement, which is part of the Pedestrian Trail System (defined in Section 4.13) within the Community Area, as provided in Section 4.13 of this Declaration. The Shamrock Easement shall be maintained as provided in Section 4.14 of this Declaration.

Section 4.13 Pedestrian Trail System. The Community Area will contain the trails described on the PUD Development Plan (the "Pedestrian Trail System"). The Pedestrian Trail System may be used as pedestrian, bicycle and other non-motorized vehicle paths. Each Owner acknowledges that a portion of the Pedestrian Trail System is located within the Shamrock Easement. Other than as provided in Section 4.12 of this Declaration, and then only with respect to that portion of the Pedestrian Trail which is located within the Shamrock Easement, no portion of the Pedestrian Trail System shall be used for equestrian riding purposes. The Association will be responsible for maintaining all of the trail beds contained within the Pedestrian Trail System (including but not limited to the portion of trails beds which are contained within the Shamrock Easement), and all structures and non-landscaping Improvements constructed by the Declarant or the Association within the Pedestrian Trail System. All such Association maintained Improvements will be Association Property and will be maintained by the Association. All landscaping and other Improvements within the Pedestrian Trail System will be maintained by the respective Owners on whose Lot the Improvements are located.

Section 4.14 Equestrian Trails and Riding Areas. Lots 101 through 108, inclusive, in High Forest Ranch, Filing No. 2 each contain an Equestrian Easement for the benefit of the Owner of the Horse Lots, as shown on the Plats (the "Equestrian Easements"). Any fence installed by an Owner of Lot 101 through 108 shall be subject to the terms of Section 4.8 regarding noninterference with any Equestrian Easement. Each Owner shall have the right, but not the obligation to improve the Equestrian Easement located within his Lot, subject to the approval thereof by the Architectural Committee. The Equestrian Easements are for the benefit of the respective Owners of Lots 101 through 108, inclusive, and their respective Related Users and not for the public or any other Lot Owners within the Community Area. Each Owner shall be obligated for the maintenance and repair of that portion of the Equestrian Easement which is located on that Owner's Lot. The Equestrian Easements will not be maintained by the Association and shall not constitute Association Property. The riding of horses shall be prohibited within any Roadway within the Community Area, except as provided in Section 4.12 of this Declaration. The riding of horses shall also be prohibited within the Pedestrian Trail System, except as provided in Section 4.13 of this Declaration. The Community Area is, however, subject to a public easement which is located adjacent to Hodgen Road as indicated on the Plats. This public easement is authorized, as of the date that this Declaration is recorded, for equestrian riding. No areas within the Community Area, other than those indicated in Section 4.12 and this Section 4.14, are authorized for equestrian riding.

Section 4.15 Potential County Right of Way. Lots 88, 89, 104, 105 and 106, High Forest Ranch, Filing No. 2, are each located on the east boundary of the Expansion Property, as described on **Exhibit B** to this Declaration. Each such Lot is hereby expressly made subject to the Declarant's irrevocable offer to dedicate to the County a 60 foot right-of-way to be located adjacent to the eastern most boundary of Lots 88, 89, 104, 105, and 106, High Forest Ranch, Filing No. 2. This irrevocable offer to dedicate 60 feet of right-of-way shall remain open to acceptance by the County for no later than ninety-nine (99) years from the date of recording of the final plat of this Subdivision (the "Acceptance Deadline"). The County may accept the offer to dedicate at any time by any means of acceptance allowed by law as of the time of acceptance, provided that such offer is accepted by the Acceptance Deadline as set forth herein. The County shall be entitled to accept the offer and use the same for right-of-way at no additional cost to the County and without any obligation whatsoever to pay any form of compensation to the owners of said Lots for the value of the real estate and any improvements thereon. Until the County accepts the offer to dedicate or until the Acceptance Deadline expires, whichever occurs first, Lots 88, 89, 104, 105 and 106, High Forest Ranch, Filing No. 2, are subject to an exclusive easement (except that underground utilities may be located within the easement area) in gross for the sole benefit of the Board of County Commissioners of El Paso County for future road purposes. The right-of-way offer and easement described in this Section 4.15 shall be documented on the final plat of this Subdivision in a manner reasonably acceptable to the County. The right of way offer and easement described in this Section 4.15 shall be documented on the final plat of this Subdivision in a manner reasonably acceptable to the County and in a written Agreement between the Declarant, the Owners of the impacted Lots, and the County, to be recorded contemporaneously with High Forest Ranch Filing No. 2. The Association and each Owner of Lots 88, 89, 104, 105 and 106, High Forest Ranch, Filing No. 2, hereby acknowledge that no Dwelling Units, no fence, or no other building or structure shall be constructed or located within the 60 foot

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easement and potential right-of-way as described above and as described in the final plat of the Expansion Property.

Section 4.16 Roadside Drainage Ditches. Each Owner hereby acknowledges that a roadside drainage ditch will be located adjacent to or within each Lot (collectively, the "Bar Ditches" and individually, "Bar Ditch"). The Bar Ditches will be maintained and repaired by the Association in a condition which will allow storm water to flow through the Bar Ditches at all times. The Association shall not maintain any culverts or driveways. Nothing contained herein shall obligate the Association to maintain any culvert, driveway, or other Owner installed Improvement within any Lot, regardless of its proximity to or location within a Bar Ditch. Each Owner shall be obligated, at its sole cost and expense, to maintain all culverts and driveways located within or adjacent to his Lot. If an Owner fails to properly maintain a culvert, the Association shall have the right but not the obligation to maintain the same in order to insure the flow of storm water through the Bar Ditch and to recoup all costs incurred in connection therewith from such Owner. The Association is hereby granted an easement to maintain and repair each Bar Ditch. Entry onto any Lot to effect such repairs or maintenance shall not be deemed a trespass.

ARTICLE 5 LIVING ENVIRONMENT STANDARDS

Section 5.1 Building and Grounds Maintenance. Each Owner shall maintain the exterior of the Dwelling Unit and all other Improvements on the Lot of the Owner in good condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. Each Owner shall keep all Landscaping properly maintained in accordance with the Design Guide. Each Owner hereby acknowledges that the requirement to maintain each Lot in "good condition" and "properly maintained" shall be based upon a standard of care which is appropriate for the highest quality county single family residential areas in El Paso County, Colorado. If the Owner fails to properly perform such maintenance, Declarant or the Architectural Committee may, after giving thirty (30) days' written notice and at the Owners' expense, effect such repairs and maintenance as it deems necessary in its judgment to maintain the standards of the Community Area. Entry to effect such repairs and maintenance shall not be deemed a trespass, and the Owner shall be liable for all costs incurred in connection with the repairs and maintenance.

Section 5.2 Garage Doors. Garage doors shall be kept closed except when being used to permit ingress and egress to or from the garage.

Section 5.3 Outside Storage. All maintenance equipment shall be stored in an enclosed building or otherwise adequately screened so as not to be visible from neighboring properties or adjoining streets or stored in a manner which is approved in writing by the Architectural Committee in accordance with this Declaration. Each Owner will consider the impact, and take reasonable steps to minimize any material adverse impacts on neighboring Owners when allowing maintenance equipment and materials, including but not limited to hay and other feed, as well as play equipment, children's toys, and lawn furniture, to be located outside when such items are not in active use. The

Association will have the authority to adopt such Rules and Regulations as it deems appropriate in its reasonable discretion to regulate the placement of such items and materials on any Lot when such items are not in active use, including requiring the removal of any items which the Association deems to have a material adverse impact on neighboring Lots.

Section 5.4 Clotheslines. No outdoor clothes poles, clotheslines or other facilities for drying or airing clothing or household goods shall be placed on any Lot, and no laundry or wash shall be dried or hung outside any Dwelling Unit or other Improvement.

Section 5.5 Swingsets and Play Areas. No swingsets, jungle gyms, slides or other similar Improvements shall be installed on a Lot except in compliance with the Design Guide and unless approved by the Architectural Committee prior to construction or installation of such Improvements.

Section 5.6 Refuse. No unsightly objects or materials, including but not limited to ashes, trash, rubbish, garbage, scrap material or other refuse, or receptacles or containers therefor, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street, except during refuse collections and then in covered containers. The Association will have the authority to adopt such rules and regulations as it deems appropriate in its reasonable discretion to further regulate unsightly objects and materials on any Lot. The Association and the Declarant shall each have the right to enter upon a Lot which is in violation of this provision and remove such unsightly objects or materials at the expense of the Owner. Such an entry shall not be deemed a trespass, and the Owner shall be liable for all costs incurred relative thereto.

Section 5.7 Nuisances and Manure Removal and Fly Control. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot within the Community Area, and no odors shall be permitted to arise therefrom, so as to render any such Lot or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other Lot within the vicinity thereof or to its Related Users. No noxious or offensive activity shall be carried on upon any Lot nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No offensive or hazardous activities may be carried on within any Lot or in any Dwelling Unit. No annoying lights, sounds shall be permitted to emanate from any Lot or Dwelling Unit. Each Owner of a Horse Lot who maintains animals on his Lot in accordance with the provisions of Section 5.15 of this Declaration shall be obligated to periodically remove manure from his Lot and/or stables to avoid creating a nuisance thereon. The Association will have the authority to adopt such Rules and Regulations as it deems appropriate in its reasonable discretion to further regulate nuisances within the Community Area, including but not limited to requirements to deal with or avoid offensive smells, to establish manure removal programs and/or fly control requirements.

Section 5.8 Sound Devices. No exterior speakers, horns, whistles, bells or other sound devices, except security and fire alarm devices used exclusively for security purposes, shall be located, used or placed on any Improvement or within any Lot, without the prior written approval of the Architectural Committee. With the prior approval of the Architectural Committee, an Owner

may install exterior stereo speakers, provided that the sound levels from such speakers are not objectionable to neighbors.

Section 5.9 Outside Lighting. The Architectural Committee may establish various standards for exterior lighting, including, without limitation, standards for hue and intensity. All exterior flood lights and spot lights installed or maintained on any Dwelling Unit or other Improvement must be approved by the Architectural Committee prior to installation.

Section 5.10 Landscaping. Within six months after completion of a Dwelling Unit or within any extension of that period granted by the Architectural Committee, all yards and open spaces shall be Landscaped and thereafter maintained and kept in a manner that is required by the Design Guide. In addition, Landscaping on any Lot may not contain more than 4,600 square feet which will be irrigated by the Lot's domestic well, regardless of the use thereof and shall be further limited to 3,000 square feet as provided in Section 14.1 (c) if any accessory building within the Lot has been approved in writing by the Association, in accordance with the terms and conditions contained herein, for use as a Dwelling Unit (whether or not for rental purposes). Irrigated surfaces shall include, without limitation, all gardens, flower beds, vegetated walkways, lawns and water landscape features of every kind. Each Owner hereby acknowledges that all connections for water within a Lot shall be required to be located after the water meter to ensure complete and accurate measuring of water usage. Such connections include, without limitation, all connections for exterior water hoses, sprinklers and other outside water use. The Association shall have the authority to require each Owner to locate such connection on his landscape plan and shall have the right to enter each Lot from time to time to inspect such connections. The Developer will request the State Engineer to include this 4600 square foot watering limitation on all well permits issued for Lots within the Community Area.

Section 5.11 Weeds or Infectious Conditions. All yards and open spaces and the entire area of every Lot on which no building has been constructed shall be kept free from noxious weeds, trees infected with beetles, such insects or disease infected plants as specified from time to time by the Architectural Committee and shall be subject to the management of mistletoe or such diseases as directed from time to time by the Architectural Committee, and free from brush or other growth or trash which in the reasonable opinion of the Association or Declarant causes undue danger of fire. If requested by the Association, an Owner will undertake, through an appropriate professional, a survey of his Lot to determine if any of the above-described conditions exist within his Lot.

Section 5.12 Mowing and Pruning. In order to effect insect, weed and fire control and to prevent and remove nuisances, the Owner of any Lot upon which a building has not been constructed shall remove any trash which may collect or accumulate on the Lot.

Section 5.13 Grading Patterns. No material change may be made in the ground level, slope, pitch or drainage patterns of any Lots as fixed by the original finish grading except after first obtaining the prior consent and approval of the Architectural Committee. Grading shall be

maintained at all times so as to conduct irrigation and surface waters away from buildings and so as to protect foundations and footings from excess moisture.

Section 5.14 Transmitters. No electronic or radio transmitter of any kind other than garage door openers, electronic devices and transmitters permitted by Title 47, Part 15 of the United States Code and remote control devices for televisions, stereos, video cassette recorders and similar equipment shall be operated in or on any Improvement or Lot.

Section 5.15 Animals.

(a) An Owner of a Horse Lot within the Community Area may maintain, keep and care for on his Lot, exclusive of domestic household pets, no more than an aggregate of four (4) mature animals. All such animals shall be kept and maintained in a barn, stable, corral, or other enclosed structure of a reasonable design and construction to securely contain said animals and which is approved by the Architectural Committee pursuant to the terms of this Declaration. The four (4) mature animals which may be maintained, kept and cared for on any Lot shall not include more than one (1) cattle or one (1) sheep (but any one Horse Lot will not be permitted to maintain a cattle and a sheep at any one time). No pigs, hogs, swine, goats, poultry, fowl, or wild animals shall be maintained, kept or cared for on any portion of the Community Area. No animal shall be stabled, maintained, kept, cared for or boarded for hire or remuneration within any Lot within the Community Area. The term "mature" as used in this Section 5.15 (a) shall mean any such animal which has reached one year of age. A reasonable number of domestic household pets may be kept, maintained or cared for on a Horse Lot in addition to the permitted number of mature animals described in this Section 5.15 (a).

(b) Each Owner of a Horse Lot shall take such reasonable precautions and curative measures to ensure that the Lot is not overgrazed. The Association shall have the right to adopt such Rules and Regulations as it shall determined to be needed to address overgrazing within the Horse Lots.

(c) Other than as provided above with respect to Horse Lots, no animals, except domesticated birds or fish and other small domestic animals permanently confined indoors, shall be permitted within any Lot within the Community Area. Domesticated dogs and domesticated cats may be kept or maintained in or on any Lot within the Community Area only if kept as pets and the total number of which may not exceed four (4).

(d) No animal of any kind, whether within a Horse Lot or other Lot within the Community Area, shall be permitted which, in the opinion of the Association, makes an unreasonable amount of noise or odor or is a nuisance. The Association shall have the right to adopt Rules and Regulation to address nuisance animals, including, without limitation, barking dogs. No animals shall be kept, bred or maintained within the Community Area for any commercial purposes. No dogs or other pets shall be chained or enclosed on any Lot outside of the Dwelling Unit for any extended period of time, except by means of underground electronic fences or other invisible barriers

or fences. Dogs or pets may also be kept in a dog run or other similar enclosure. The location, materials, size and other specifications for the dog run shall be subject to approval by the Architectural Committee.

Section 5.16 Parking of Vehicles.

(a) No motor vehicles owned, leased, rented or used by Owners, Related Users or any other Person shall be parked overnight on any street within the Community Area.

(b) No boat, trailer, camper (on or off supporting vehicles), tractor, commercial vehicle, mobile home, motor homes any towed trailer unit or truck shall be parked overnight on any street or overnight for two or more consecutive nights within any Lot except in a completely enclosed building such as a garage, or as otherwise approved in writing by the Architectural Committee. Pickup trucks having a one ton or less manufacturer's rated capacity and passenger vans for the private use of the residents of a Dwelling Unit as primary transportation on a day-to-day basis, shall not be considered trucks for purposes of the foregoing restrictions.

(c) No motor vehicles shall be parked within the Association Properties, except as authorized by the Association.

Section 5.17 Inoperative Vehicles. No unused, stripped down, partially wrecked or inoperative motor vehicle or part thereof shall be permitted to be parked on any street or on any Lot in such a manner as to be visible at ground level from any neighboring property or street, unless fully screened in a manner approved by the Architectural Committee. An unused vehicle shall be any vehicle which is not properly licensed as determined by the Association.

Section 5.18 Vehicle Repairs. No maintenance, servicing, repair, dismantling, sanding or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed Improvement which screens the sight and sound of the activity from adjoining streets and from neighboring property.

Section 5.19 No Signs. No sign of any kind shall be displayed to public view on any Lot or on or from any Dwelling Unit, except for signs permitted under the Design Guide or otherwise approved by the Architectural Committee.

Section 5.20 Outdoor Burning. There shall be no outdoor fires on any Lot or on the Association Properties, except fires in barbecue, braziers and outside fireplaces contained within facilities or receptacles intended for such purpose. Any outside facilities or receptacles intended for use as a fireplace or to contain fires shall be in compliance with the Design Guide and shall be subject to approval by the Architectural Committee. In no event shall any such facility or receptacle be used for burning of trash. Any such facilities or receptacles shall be subject to the Rules and Regulations, which may include limitations on the time and manner in which fires will be permitted

and may permit the Association to impose total outside fire bans when deemed appropriate by the Association. No Owner shall permit any condition on such Owner's Lot which creates a fire hazard or is in violation of fire prevention regulations adopted by El Paso County or any governmental authority having jurisdiction and control over outside burning. If any ban on outdoor fires is at any time imposed by the County or a governmental authority having jurisdiction and control over outside burning, such ban shall be observed within the Community Area.

Section 5.21 Community Amenities. The Declarant shall have the right, but not the obligation to construct within the Association Property and within various tracts within the Community Areas, the Entry Features, the Community Center, the Retention Pond, a well or wells, well transmission lines and other well improvements, trails, landscaping, sports courts, and such other amenities and Improvement to service the Owners and the Association Property and such other Improvements as the Declarant shall elect to construct within the Community Area for the benefit of the Owners ("Community Amenities"). All such Community Amenities shall initially be constructed by the Declarant or those authorized by the Declarant. Until the Community Amenities have been conveyed to the Association, the Declarant shall be responsible for the maintenance of the Community Amenities in a reasonable manner. After the Community Amenities have been conveyed to the Association, the Association shall be responsible for their maintenance, repair and operation in a manner determined by the Board of Directors of the Association.

Section 5.22 Detention Basins. The Declarant shall construct Detention Basins pursuant to the terms set forth in that certain Private Detention Basin Maintenance Agreement and Easement, among the Declarant, the Association and El Paso County, recorded at Reception No. 201036668 of the real property records of El Paso County, Colorado (the "Detention Basin Agreement"), within Tract D in High Forest Ranch Filing No. 1 of the Community Area and within that portion of Lot 14 and Lot 29, High Forest Ranch Filing No. 1, which are described on **Exhibit D** to this Declaration (the "Detention Basin Areas"). The Declarant hereby reserves for itself and its successors and assigns, an easement on, over, under and across each Detention Basin Areas for purposes of constructing the Detention Basins in accordance with the terms of the Detention Basin Agreement. The construction of the Detention Basins will be deemed completed and in compliance with the terms and conditions of the Detention Basin Agreement upon the finalization of the applicable County inspections thereof. The Declarant hereby grants to the Association a perpetual easement on, over, under and across each Detention Basin Area for purposes of maintaining, inspecting, cleaning, repairing, and reconstructing the Detention Basins as may be required from time to time or as required in accordance with the terms of the Detention Basin Agreement. Each Owner hereby acknowledges that the County has been granted an easement to enter each Detention Basin Area pursuant to the terms of the Detention Basin Agreement. Each Owner also hereby acknowledges that the Association will be obligated to maintain, inspect, clean and repair the Detention Basins as provided in the Detention Basin Agreement and that each Owner will be individually obligated for its pro rata share of such maintenance, inspection and repair costs as provided therein. If the Association fails to properly maintain the Detention Basins in accordance with the terms of the Detention Basin Agreement, the County will have the authority, but not the obligation, to undertake such maintenance and to assess the Owners for their pro rata share thereof.

Section 5.23 Roadway Maintenance. The Declarant shall construct the roadways indicated on the Plats and any supplemental plat of the Community Area (the "Roadways"). Each such Roadway will be a private roadway to be maintained by the Association. The Declarant will construct the Roadways, pursuant to the terms set forth in that certain Private Roadways Maintenance Agreement, among the Declarant, the Association and El Paso County, recorded at Reception No. 201036667 of the real property records of El Paso County, Colorado (the "Roadway Agreement"), within Tracts E, High Forest Ranch Filing No. 1 and Tract D, High Forest Ranch Filing No. 2 of the Community Area (the "Roadway Tracts"). The Declarant hereby reserves for itself and its successors and assigns, an easement on, over, under and across each Roadway Tract for purposes of constructing the Roadway Tract in accordance with the terms of the Roadway Agreement. The construction of the Roadways will be deemed completed and in compliance with the terms and conditions of the Roadway Agreement upon the finalization of the applicable County inspections thereof. The Declarant hereby grants to the Association a perpetual easement on, over, under and across each Roadway Tract for purposes of maintaining, inspecting, and repairing, and reconstructing the Roadways as may be required from time to time or as required in accordance with the terms of the Roadway Agreement. Each Owner hereby acknowledges that the County has been granted an easement to enter each Roadway Tract pursuant to the terms of the Roadway Agreement. Each Owner also hereby acknowledges that the Association will be obligated to maintain, inspect, and repair the Roadways as provided in the Roadway Agreement and that each Owner will be individually obligated for its pro rata share of such maintenance, inspection and repair costs as provided therein. If the Association fails to properly maintain the Roadways in accordance with the terms of the Roadway Agreement, the County will have the authority, but not the obligation, to undertake such maintenance and to assess the Owners for their pro rata share thereof.

ARTICLE 6
ARCHITECTURAL CONTROL

Section 6.1 Architectural Committee. Until Declarant has sold all of the Lots in the Community Area (as the Community Area may be expanded from time to time by Declarant as provided herein), or until such earlier time as Declarant elects to assign the right to appoint the Architectural Committee to the Board, the Architectural Committee shall consist of three members appointed by Declarant. After the right to appoint the Architectural Committee has been transferred to the Board, the Architectural Committee shall consist of at least three and not more than five individuals, all of whom shall be appointed by the Board. The members of the Architectural Committee need not be Members of the Association. The Architectural Committee shall exercise the functions assigned to it by this Declaration and the Design Guide, including reviewing and approving all plans for Improvements as provided in this Declaration.

Section 6.2 Design Guide. The Architectural Committee shall promulgate and adopt Design Guide applicable to all Improvements in the Community Area, which shall regulate among other things, the following matters:

(a) Site Location:

- (1) location on a Lot;
- (2) orientation of a Dwelling Unit to Lot Lines;
- (3) site coverage;
- (4) setbacks
- (5) disturbance of on-site vegetation.

(b) Architectural Design:

- (1) building heights;
- (2) exterior materials and colors;
- (3) elevations and general massing;
- (4) roof lines;
- (5) exterior lighting.

(c) Site Accessories:

- (1) entrances to Lots and driveway layout;
- (2) parking areas within Lots;
- (3) fences and dog runs;
- (4) placement and screening of satellite dishes;
- (5) patios, accessory buildings or other Improvements;
- (6) swimming pools and tennis courts;
- (7) basketball backboards and other play equipment;
- (8) driveway lighting; and
- (9) street number placement, design and location.

(d) Landscape Design:

- (1) plant materials;
- (2) amount of landscaping required; and
- (3) preservation of vegetation.

(e) Approval Processes:

- (1) documentation required for review and approval; and
- (2) time periods for review and approval.

All Improvements, including those on the Association Properties, shall be constructed or installed in compliance with the requirements of the Declaration and with the Design Guide as it exists at the time of approval of plans pursuant to this Article 6. The Architectural Committee shall have the right to modify or supplement the Design Guide from time to time in its sole discretion; provided, however, that no modification to the Design Guide may result in a provision that contradicts or conflicts with any express provision of this Declaration or that is contrary to the general intent or purposes of this Declaration.

Section 6.3 Approval Required. No Improvement shall be placed, erected, installed or permitted to occur or exist on any Lot, nor shall the exterior of any existing Improvements be altered, nor shall any construction be commenced on any Improvements, unless and until the plans and specifications for such Improvements have been submitted to and approved in writing by the Architectural Committee. Matters which require the approval of the Architectural Committee include but are not limited to:

- (a) the construction, installation, erection or expansion of any Dwelling Unit or any building, structure, or other Improvements;
- (b) the installation of Landscaping and the removal of existing vegetation (other than as required in accordance with the terms of Section 3.12 of this Agreement and as permitted for forestry management as described in Section 3.9 of this Agreement;;
- (c) the demolition or destruction, by voluntary action, of any building, structure or other Improvements;
- (d) the grading, excavation, filling or similar disturbance to the surface of the land; and

(e) any change or alteration of any previously approved Improvements, including any change of exterior appearance, finish material, color or texture.

Section 6.4 Plans Submissions. All plans, samples and other materials to be submitted to the Architectural Committee shall be of the applicable scale set forth in the Design Guide. The plot plan in the required scale shall show the location of all buildings, drives, walks, fences and any other Improvements. Structure plans shall show all exterior elevations, and shall indicate and locate on each elevation the materials to be used and designate each exterior color to be used by means of actual color samples.

Section 6.5 Approval Process. All action required or permitted to be taken by the Architectural Committee shall be in writing, and any such written statement shall establish the action of the Architectural Committee and shall protect any person relying on the statement. The procedure for submitting requests and obtaining approvals shall be as set forth in the Design Guide. The Architectural Committee may charge reasonable fees to cover expenses incurred in review of plans, samples and materials submitted pursuant to this Declaration, not including reimbursement or compensation to the members of the Architectural Committee for their services. The Architectural Committee shall be entitled to retain one copy of all approved plans as part of its files and records. Approvals of all plans and specifications for an Improvement will automatically expire within one year after approval if construction is not commenced within one year after approval, and if approval so expires, the applicant must resubmit a request for approval of the Improvement.

Section 6.6 Approval Standards. All Improvements to be constructed or installed within the Community Area must comply with the Design Guide and this Declaration. In granting or withholding approval of matters submitted to it, the Architectural Committee shall consider the specific standards and specifications set forth in the Design Guide. The Architectural Committee shall have the right to disapprove any plans, specifications or details submitted to it if it determines, in its sole discretion, that the proposed Improvement is not consistent with the Design Guide or any provision of this Declaration; if the plans and specifications submitted are incomplete; or if the Architectural Committee deems the plans, specifications or details, or any part thereof, to be contrary to the interest, welfare or rights or all or any part of the Community Area, the Association or the Owners. If the Architectural Committee believes there may be questions of structural integrity, it may, as part of the approval requirements, require certification of the final plans and specifications by a professional architect or engineer licensed in Colorado. The decisions of the Architectural Committee shall be final and binding unless they are clearly arbitrary and there is no evidence to support the Architectural Committee's decision.

Section 6.7 No Liability. Neither Declarant, the Board nor the Architectural Committee or any member thereof shall be liable in damages or otherwise to anyone submitting plans to them for approval or requesting a variance, or to any Owner by reason of mistake in judgment, negligence, nonfeasance or any act or omission in connection with the approval, disapproval or failure to approve the plans, specifications or variance. Approval by the Architectural Committee shall not mean that plans and specifications are in compliance with the requirements of any local building

codes, zoning ordinances or other governmental regulations, and it shall be the responsibility of the Owner or other person submitting plans to the Architectural Committee to comply with all codes, ordinances and regulations.

ARTICLE 7 ASSOCIATION OPERATION

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

Section 7.2 Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The Board shall consist of a minimum of three members during the Period of Declarant Control stated in Section 7.5 and thereafter shall consist of at least three (3) but not more than nine (9) members, as determined by the Board. All members of the Board shall be representatives of Declarant or Members of the Association. The terms and qualification of the members of the Board of Directors shall be fixed in the Articles of Incorporation and Bylaws of the Association. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers of the Association or to agents and employees of the Association, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for the management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized committee, officer, agent or employee without a vote of Members, except as otherwise specifically provided in this Declaration or by Colorado law. All lawful decisions, agreements and undertakings by the Board, or its authorized representatives, shall be binding upon all Members, Owners, Related Users and other Persons.

Section 7.3 Membership in Community Association. Each Owner of a Lot shall be a Member of the Association. An Owner shall automatically be the holder of the membership appurtenant to such Owner's Lot, and the membership shall automatically pass with fee simple title to the Lot. Declarant shall hold one membership in the Association for each Lot owned by Declarant. Membership in the Association shall not be assignable separate and apart from fee simple title to a Lot, except that an Owner may assign, some or all of the Owner's rights as an Owner and as Member of the Association to a contract purchaser, tenant or First Mortgagee, and may arrange for such Person to perform some or all of such Owner's obligations as provided in this Declaration, but no such delegation or assignment shall relieve an Owner from the responsibility for fulfillment of the obligations of the Owner under the Association Documents. The rights acquired by any such contract purchaser, tenant or First Mortgagee shall be extinguished automatically upon termination of the First Mortgage, sales contract or tenancy. The assignment of rights by an Owner pursuant to this Section shall not be subject to any present or future statutory time limit for the duration of duly

notarized proxy rights, but shall be in writing, and delivered to the Association before such Person shall be entitled to exercise any membership rights or privileges. All rights, title and privileges of membership shall be subject to the Association Documents.

Section 7.4 Voting Rights of Members. Members shall have the right to cast votes for the election of Board of Directors and on such other matters to be voted on by the Members as provided in the Association Documents. One vote is allocated to each Lot and Members shall have one vote for each Lot owned. The one vote for each Lot may not be split if there is more than one Owner of the Lot, and if the Owners are unable to determine how to cast the one vote allocated to their Lot pursuant to the provisions of Section 38-33.3-310, Colorado Revised Statutes, then the Owners shall be deemed to have abstained. Voting rights and procedures may be further defined in the Articles and Bylaws of the Association. Notwithstanding the foregoing, Declarant shall have the reserved rights set forth in Section 7.5.

Section 7.5 Declarant's Reserved Right to Appoint. Notwithstanding any contrary provision, but subject to the requirements of Section 7.2 of this Declaration and Section 38-33.3-303(6), Colorado Revised Statutes, the Declarant hereby reserves the right to appoint the Board of Directors, to control the Association and to appoint and remove the officers and members of the Board at all times subsequent to the date of recordation of this Declaration and continuing for a period of twenty years following the date on which this Declaration is recorded (the "Period of Declarant Control"), subject to the following limitations: The Period of Declarant Control shall terminate no later than the earlier of: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created to Owners other than the Declarant; or (ii) two (2) years after Declarant has last conveyed a Lot in the ordinary course of business. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of the Period of Declarant Control, but in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. It is hereby expressly acknowledged that any action by Declarant to surrender its authority over the Association or its Board will in no way limit Declarant's rights and authority with respect to architectural control matters as provided in this Covenant, unless such rights are expressly terminated or waived by Declarant.

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

(c) Except as otherwise provided above, not later than the termination of any Period of Declarant Control, the Owners shall elect a Board of at least three (3) members, at least a majority of whom must be Owners other than the Declarant or designated representatives of

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

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

(e) Within sixty (60) days after the Owners, other than Declarant, elect a majority of the members of the Board, the Declarant shall deliver to the Association all property and items described by C.R.S. § 38-33.3-303(9).

ARTICLE 8 DUTIES AND POWERS OF ASSOCIATION

Section 8.1 General Duties and Powers of Association. The Association has been formed to further the common interests of the Members. The Association, acting through the Board or representatives to whom the Board has delegated such powers, shall have the duties and powers given non-profit corporations, including without limitation those hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve and enhance Association Properties, and to improve and enhance the attractiveness, desirability and safety of the Community Area. The Association shall have and may exercise all powers enumerated in Section 38-33.3-302, Colorado Revised Statutes. Except as expressly otherwise provided in the Association Documents or by Colorado law, the Association shall act through the Board of Directors, without the vote or meeting of the Members, and the Board may exercise all rights, powers and interests of the Association, as described in this Article or elsewhere in the Association Documents.

Section 8.2 Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept title to any property, including without limitation all Community Amenities and any other Improvements thereon, any easement or other right, and personal property transferred to the Association by Declarant or by any third party with Declarant's permission, and equipment related thereto, together with the responsibility to perform any and all Association functions associated therewith, provided that such property and functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests and contractual rights or licenses to use property. Any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration. No representation, express or implied, is made that the Declarant will or will not transfer property to the Association, except as specifically provided in Section 9.2.

Section 8.3 Duty to Manage and Care for Property.

(a) To the extent owned by the Association, the Association shall manage, operate, care for, maintain and repair all Association Properties and keep the same in an attractive and desirable condition for the use and enjoyment of the Members; provided, however, maintenance responsibilities for any Association Properties shall not commence until Assessments commence. In addition, the Association may manage, operate, care for, maintain and repair property other than Association Properties, if some or all of the Members will benefit thereby or if such Association action is required pursuant to any Plat or Supplemental Plat, or the PUD Development Plan. It is the intent that under this Declaration that the properties, Improvements and facilities the Association will be required to maintain will include, without limitation (i) the Entry Features, (ii) community mailbox structures, (iii) Pedestrian Trails and trail Improvements as provided for in Section 4.13 of this Declaration, (iv) the Detention Basins, (v) all open space within the Community Area, (vi) the Retention Pond, (vii) any Community Center constructed by Declarant within the Community Area, (viii) all wells, well sites, well transmission lines and other well Improvements which are within Association Property and are dedicated to serving Association Property, (ix) Bar Ditches, (x) all Community Amenities (x) all other Improvements, amenities and facilities located on Association Property, (xi) any Perimeter Fences to the extent initially constructed by Declarant or thereafter approved by the Association in accordance with Section 4.8 of this Declaration, (xii) all street lighting, mailbox and street signage, and (xiii) all other Improvements and areas required by a Plat, the PUD Development Plan or any Supplemental Plat to be maintained by the Association, as provided in Section 5.9 of this Declaration, (xiv) the security gates and related facilities controlling access to the Community Area, and (xv) any decorative walls, sign and Landscaping to be constructed within or on Association Property.

(b) **The Association is hereby authorized and shall have the obligation to operate, administer and account for the Water Rights used within the Community Area, including all requirements set forth in the augmentation plan entered in Case No. 99CW167, Water Division No. 2, State of Colorado and Case No. 99 CW 237, Water Division No. 1, State of Colorado. Such administration shall include, without limitation, obtaining water meter readings from each Lot three times per year, on October 31, on December 1 and February 28 or 29, as applicable, assimilating the data required by the State Engineer on required forms and timely providing the required information to the State Engineer to assure the State Engineer compliance with the terms and conditions of the augmentation decree.**

(c) In addition, the Association shall have the obligations to monitor, report and enforce water usage and nonevaporative septic system restrictions as described in Article 14 of this Declaration. The specific enumeration of items in this Section 8.3 shall not be a limitation on the power and authority of the Association to maintain other items not specifically listed where such repair and maintenance of other items would be in the common interests of the Association and the Owners.

(d) The Association is hereby granted the authority to create rules and regulation to help insure the compliance with all Water Rights and related limitations for the entire Community Area and to enforce such limitations and rules and regulations by any and all methods provided for in Section 8.10 of this Agreement. The Association is also hereby granted an easement to access any and all Lots within the Community Area for purposes of conducting inspections of water systems, meters and septic systems, meter readings and enforcing compliance with all Water Rights and related limitations, restriction and rules and regulations.

Section 8.4 Duty to Pay Taxes. The Association shall pay all taxes and assessments levied upon the Association Properties owned by the Association and all other taxes and assessments payable by the Association. The Association shall have the right to contest any such taxes or assessments provided that the Association shall contest the same by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment, and provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful. The Association may maintain reserves for any taxes, interest and penalties which could be incurred as a result of an adverse ruling on any position taken by the Association.

Section 8.5 Duty to Maintain Insurance. The Association shall obtain and keep in full force and effect at all times insurance coverage in accordance with this Declaration and as required by Colorado law.

Section 8.6 Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as elsewhere provided in this Declaration.

Section 8.7 Power to Provide Security. The Association shall have the power to provide for the security of the Owners by hiring a security patrol and performing any other functions relating to safety and security authorized by the Board or the Members.

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

Section 8.9 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce such Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration and matters related thereto, the operation of the Association, the use and enjoyment of Association Properties, the use of any other property within the Community Area, including the Lots, the operations and standards concerning the Horse Lots and the operation and management of the Community Center and Community Amenities. Any

such Rules and Regulations shall be reasonable and uniformly applied as determined by the Board in its sole discretion. Rules and Regulations shall be effective upon adoption by resolution of the Board of Directors. Written notice of the adoption, amendment or repeal or any Rule or Regulation shall be provided to all Members by the Association, and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the copying cost. Each Owner, Related User, Member and other Person shall comply with such Rules and Regulations, and each Owner shall be responsible for ensuring that the Related Users of such Owner comply with the Rules and Regulations. Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

Section 8.10 Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of the Association Documents and shall take such action as the Board deems necessary or desirable to cause compliance by each Member, other Person, and Related Users of each Member. Without limiting the generality of the foregoing or any other remedies provided in this Declaration, the Association shall have the power to enforce the provisions of the Association Documents by any one or more of the following means: (a) by entry upon any property within the Community Area after any notice and hearing required by the Bylaws (unless a bona fide emergency exists), without liability to the Owner or occupants thereof, for the purpose of enforcement of or causing compliance with the Association Documents; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of the Association Documents, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of the Association Documents; (d) by exclusion, after any notice and hearing required by the Bylaws, of any Member, Related User or other Person from use of any Association Properties for a period not to exceed sixty days as a penalty for any breach of the Association Documents by a Member, Related User or other Person; provided that such power to exclude use shall not include the power to deny access to the Lot of such Owner; (e) by suspension, after notice and hearing required by the Bylaws, of the voting rights of a Member during and for up to sixty days following any breach by such Member or a Related User of such Member of the Association Documents, unless the breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after notice and hearing required by the Bylaws, unless the violation consists of failure to pay any Assessment, in which case notice and hearing shall not be required, a Site Assessment against any Member for breach by the Member or a Related User of such Member of the Association Documents; (g) by levying and collecting, after any notice and hearing required by the Bylaws, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member, Related User or other Person for breach by such Member, Related User or other Person of the Association Documents; (h) by performing any duty of any Member, Related User or other Person of correcting any violation or breach of the Association Documents and obtaining, upon demand, reimbursement for all expenses related thereto as a Site Assessment, and (i) by exercising any right or remedy permitted by law or in equity.

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Section 8.11 Power and Duty to Enforce Association Documents. The Association shall have the power and duty to enforce the covenants, terms and provisions of the Association Documents.

Section 8.12 Power to Provide Special Services. The Association shall have the power to provide special services beyond this Declaration to a Member or group of Members and any services to any other Person. Any such service or services shall be provided pursuant to an Agreement in writing, or through one or more amendments to this Declaration, which shall provide for payment to the Association by such Member or group of Members or other Persons of the costs and expenses which the Association estimates it will incur in providing such services, including a fair share of the overhead expenses of the Association, and shall contain provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors and assigns or the Member or group of Members or other Persons, and may be collected in the same manner as a Site Assessment, or, if the written agreement so provides, in installments as part of the Common Assessments or may be collected in any manner permitted by law or statute or the Association Documents.

Section 8.13 Power to Operate and Charge for Facilities. The Association shall have the power to acquire, create, own and operate any and all such facilities and services as it deems appropriate, including, without limitation, Landscape maintenance and refuse collection, an intranet communication service for the Owners or any other similar or dissimilar function, and to establish charges for the use of facilities and services. The charges may include admission, rental or other fees and charges for any use of property, facilities, or services of the Association. Such charges or fees shall be as determined from time to time by the Board of Directors.

Section 8.14 Power to Grant Easements. The Association shall have the power to grant access, utility, drainage, water facility and any other easements in, on, over or under Association Property for any lawful purpose, including, without limitation, the provision of emergency services, utilities, telephone, television, or other uses or services to some or all of the Members or to facilitate the development of the Community Area.

Section 8.15 Power to Employ Managers. The Association shall have the power to retain and pay for the services of a manager or managers to undertake any of the management of any functions for which the Association has responsibility under this Declaration to the extent deemed advisable by the Association, and may delegate any of its duties, powers or functions to the manager or managers. Any contract or agreement with a manager shall be terminable by the Association for cause on no more than thirty days' prior written notice, and shall be terminable by the Association without cause and without payment of a termination fee on no more than ninety days' prior written notice. No such contract or agreement shall be for a term of more than one year. Notwithstanding any delegation to a manager of any duties, powers or functions of the Association, the Association and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, power and functions. In addition to a manager, the Association may employ and pay

a consultant, which may be Declarant, an affiliate of Declarant, or a third party, to assist in operating and managing the Association after the Declarant's reserved rights under Section 7.5 terminate.

Section 8.16 Power to Engage Employees, Agents and Consultants. The Association shall have the power to hire and discharge employees and agents (except as otherwise provided in management contracts) and to retain and pay for such legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under the Association Documents.

Section 8.17 General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Colorado Nonprofit Corporation Act and all powers contained in Section 38-33.3-302, Colorado Revised Statutes, subject to any limitations, restriction , or requirements expressly set forth in the Association Documents.

Section 8.18 Other Powers. The Association shall have the power to regulate the days and hours during which trash and solid waste may be collected or put out for collection in any portion of the Community Area, and the Association may require all Owners to use a common trash collection company or entity selected by the Board. The Association shall also have the power to provide services for the collection of trash and solid waste within all or any portion of the Community Area. The Association 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, and to provide general informational services which may include, without limitation, community newsletter, radio broadcast, cable television services and similar services.

Section 8.19 Forestry Management and Insurance. In addition to each Owner's obligations are set forth in Section 3.9 of this Declaration, the Association shall have the power, but not the obligation, to establish a program to provide forestry management for the entire Community Area in order to monitor and manage the health of the vegetation within the Community Area ("Forestry Management Program"). The cost of any Forestry Management Program which the Association may elect to provide to the Owners will be included within the Common Assessment. Generally, the Forestry Management Program will involve surveying and testing the health of Community Area vegetation, including testing for beetles, mistletoe and other infectious conditions, and removing any infected vegetation, even if such vegetation is located on or within an Owner's Lot. Each Owner hereby grants the Association and its agents an easement to enter each Owner's Lot for purposes of conducting forestry surveying and testing and, if thereafter deemed reasonably advisable, to remove any and all vegetation which it reasonably determines to be infectious. In addition to the Association's right to undertake a Forestry Management Program, each Owner, if requested by the Association, will undertake, through an appropriate professional, such surveying and testing of his Lot to determine if any of the above-described conditions exist within his Lot.

Section 8.20 Community Programs. The Association shall have the power, but not the obligation, to establish regulations, services and programs related to the Community Center and

other Community Amenities for the Owners the cost of which may be included in the Common Assessment or charged on a user basis. The Association shall have the authority to implement such rules, regulations, services and program, to include the cost thereof in the Common Assessments and to establish the services to be provided and the procedures and limitations concerning the utilization of such services and programs. No Owner or Member shall have the right to withhold or reduce payment of the Common Assessment or any portion of the Common Assessment by not using the Community Center or Community Amenities made available to the Owners and Members pursuant to services and programs as adopted or amended by the Association. The Association shall have the right to amend or terminate any such program at any time.

Section 8.21 Assessment Offsets. If any Person makes any Improvements to Association Property which has been approved by the Declarant or the Architectural Committee, the actual cost of such Improvement shall be available as an offset against the Common or Special Assessments which shall be owing from time to time by the applicable Person (the "Offsets"). Offsets will be transferable to Owners by the holder of the Offset providing a written notice to the Declarant and the Board stating the party to whom the Offsets are being transferred, the amount of the Offsets being transferred and the date on which the transfer will be effective. No cash refunds will be made for any unused Offsets. Any unused Offsets may be rolled over from year to year, as necessary

ARTICLE 9 ASSOCIATION PROPERTIES

Section 9.1 Right of Association to Regulate Use. To the extent that the Association hereafter owns, holds or has property, the provisions of this Article 9 shall apply. The Association, acting through the Board, shall have the power to regulate use of Association Properties by Members to enhance further the overall rights of use and enjoyment of all Members, including without limitation, imposing limits on the times of use and numbers of guests permitted to use the Association Properties.

Section 9.2 Property that Must be Conveyed. The Declarant shall be obligated to convey to the Association the following properties and Improvements: (i) the Roadways serving the Community Area, (ii) the Entry Features, including all Improvements, amenities and facilities located thereon, (iii) the security gates and related facilities controlling access to the Community Area, (iv) the Community Center, (v) any tracts of land that are identified on the Plats or any Supplemental Plat as tracts for open space, (vi) the Detention Basins, (vii) the Retention Pond, (viii) well sites, and (ix) all of the Water Rights as defined in Section 2.5 of this Declaration. The properties to be conveyed to the Association shall be conveyed to the Association on or before the expiration of the Period of Declarant Control under Section 7.5. In addition, Declarant, its successors and assigns, shall pay all real property taxes assessed against the Roadways serving the Community Area until such time as such Roadways are deeded to the Association. The roadways will be conveyed subject to the easement created by Section 13.3. Declarant is not obligated to convey any other real property to the Association.

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

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

Section 9.5 Damage to Association Properties. In the event of damage to or destruction of all or a portion of the Association Properties due to fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such damage or destruction are insufficient to repair and reconstruct the damage or destruction, then the Association shall levy a Special Assessment in the aggregate amount of such insufficiency pursuant to this Declaration and shall proceed to make such repairs or reconstruction, unless the Owners and First Mortgagees by a majority vote agree not to repair and reconstruct such damage in accordance with the terms and provisions of this Declaration. No distributions of insurance proceeds shall be made to the Owners, unless made jointly payable to Owners and the First Mortgagees, if any. If insurance proceeds available to the Association on account of damage or destruction exceed the cost of repair, reconstruction or replacement, the Association may use the excess for future maintenance, repair, and operation of and improvements to Association Properties.

Section 9.6 Association Powers in the Event of Condemnation.

(a) If proceedings are initiated by any government or agency thereof seeking to take the Association Properties or any interests therein or part thereof, including any Improvements, the Association shall give prompt notice thereof, including a description of the part of or interest in the Association Properties or Improvements thereon sought to be so condemned, to all Owners. The Association shall have full power and authority to defend in said proceedings, and to represent the Owners in any negotiations, settlements and agreements with a condemning authority for acquisition of the Association Properties, any part thereof, or any interest therein, and each Owner hereby appoints the Association as the Owner's attorney-in-fact for such purposes. Any award or proceeds of settlement shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interests may appear. No Owner shall be entitled to participate as a party or otherwise in any condemnation proceedings.

(b) If all of the Association Properties are taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance of condemnation, any award or settlement shall be apportioned by the Association on such a fair and equitable basis as the Association determines to be appropriate in the circumstances, or as determined by judicial decree. If the allocation of the condemnation award is already established in the negotiations, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent that it is relevant and applicable.

(c) If less than all of the Association Properties are taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance of condemnation, the condemnation award shall first be applied by the Association to the rebuilding and replacement of those Improvements on the Association Properties which are damaged or taken by the condemning public authority, if such rebuilding or replacement is reasonably practical, unless Members with at least sixty-seven percent (67%) of the First Mortgagees (based upon one vote for each First Mortgage held) agree otherwise. Any surplus of the award or other portion thereof not used for rebuilding and replacement shall be distributed by the Association on the same basis as indicated in subparagraph (b) of this section. No provision of this Declaration or any other document relating to the Association Properties shall be deemed to give an Owner or any other party priority over the rights of a First Mortgagee, pursuant to a First Mortgage, awarding distribution of insurance proceeds or condemnation awards for losses to or taking of Association Properties.

ARTICLE 10

DECLARANT'S DEVELOPMENT RIGHTS, SPECIAL RIGHTS AND RESERVATIONS

Section 10.1 Period of Declarant's Rights and Reservations. Declarant shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association and the Association Properties for a period of twenty years after the date this Declaration is recorded in the real property records of El Paso County, Colorado, or until such earlier date when Declarant ceases to own any real property within the Community Area. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of property by Declarant, whether or not specifically stated therein, and in each deed or other instrument by which any property within the Community Area is conveyed by Declarant. The rights, reservations and easements hereinafter set forth shall be prior and superior to any other provisions of the Association Documents and may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment of the Association Documents. Declarant's consent to any one such amendment shall not be construed as a consent to any other amendment.

Section 10.2 Declarant's Development Rights. For the period stated in Section 10.1, Declarant shall have the following development rights:

(a) Subject to the limitation contained in Section 10.8, Declarant may create additional Lots within the Community Area; and

(b) Declarant may create additional Association Properties within the Community Area or convert any of the Declarant owned Lots within the Community Area to Association Properties;

Other than the right of the Declarant to add the property described in **Exhibit B** to the Community Area, the Declarant shall not have the right to add property to the Community Area. All of the foregoing development rights shall be exercised by Declarant, if at all, in accordance with Section 38-33.3-210, Colorado Revised Statutes. All of the development rights set forth above may be exercised by Declarant with respect to all or any portion of the Community Area. No assurances are made by Declarant concerning which portions of the Community Area may be affected by Declarant's exercise of its development rights or the order in which portions of the Community Area may be affected. Declarant is not obligated to exercise any of its development rights and may elect not to exercise any or all of them. If Declarant does exercise a development right in any portion of the Community Area, Declarant is not obligated to exercise that development right in all or any other portion of the remainder of real estate affected by the exercise of the development right or in all or any other portion of the remainder of the Community Area.

Section 10.3 Special Declarant Rights. For the period stated in Section 10.1, and as more particularly set forth in this Article 10 or elsewhere in this Declaration, Declarant shall have the following special Declarant rights:

- (a) to complete any Improvements shown on the Plats or any Supplemental Plat;
- (b) to exercise any development rights set forth in Section 10.2;
- (c) to maintain anywhere within the Community Area, including within the Community Center, sales offices, management offices, signs advertising the Community Area and model homes;
- (d) to use easements through the Association Properties for the purpose of making improvements within the Community Area; and
- (e) to appoint or remove any officer of the Association or any member of the Board of Directors appointed by Declarant.

Section 10.4 Reserved.

Section 10.5 Right to Construct Additional Improvements on Association Properties. Declarant shall have and hereby reserves the right, but shall not be obligated, to construct additional Improvements on Association Properties, at Declarant's cost, at any time and from time to time in accordance with this Declaration for the improvement and enhancement of the Association Properties and for the benefit of the Association and the Owners.

Section 10.6 Declarant's Rights to Use Association Properties in Promotion and Marketing. Declarant shall have and hereby reserves the right to use the Association Properties and to use services offered by the Association in connection with the promotion and marketing of property within the boundaries of the Community Area or nearby areas. Without limiting the generality of the foregoing, Declarant may erect and maintain on any part of the Association Properties such signs, temporary buildings and other structures as Declarant may reasonably deem necessary or proper in connection with the promotion, development and marketing of real property within the Community Area; may use vehicles and equipment on Association Properties for promotional purposes; may permit prospective purchasers of property within the boundaries of the Community Area to use Association Properties; and may maintain a sales and marketing office within the Community Center for as long as the Declarant determines to be advisable.

Section 10.7 Declarant's Rights to Complete Development of Community Area. No provision of this Declaration shall be construed to prevent or limit Declarant's rights to complete the development of property within the boundaries of the Community Area or nearby areas and to subdivide, resubdivide, or rezone any portion of such property; to grant licenses, easements, reservations and rights-of-way; to construct or alter Improvements on any property owned by Declarant within the Community Area; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Association within the Community Area; or to post signs incidental to development, construction, promotion, marketing, sales or leasing of property within the boundaries of the Community Area. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals to excavate, cut, fill or grade any property owned by Declarant; to make changes or modifications to Article 6 of this Declaration by means of an amendment to this Declaration; to change any landscaping, grading, drainage, vegetation, or view; or to construct, alter, demolish or replace any Improvements on any property owned by Declarant, or to use any structure on any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within the boundaries of the Community Area. Nothing in this section shall limit or impair the reserved rights of Declarant as may be elsewhere provided in the Association Documents, which rights are incorporated in this section by this reference.

Section 10.8 Maximum Number of Lots. Notwithstanding any other provision of this Declaration, the maximum number of Lots that Declarant may create within the Community Area is 200.

Section 10.9 Declarant's Approval. Until Declarant no longer has the right to appoint a majority of the Board, the Association shall not, without first obtaining the prior written consent of Declarant, which consent shall not be unreasonably withheld, convey, change or alter the use of Association Properties; mortgage the Association Properties; use Association Properties other than for the benefit of Members; levy any Special Assessment; change or repeal any rules of the Architectural Committee; make any substantial reduction or change in Association services; or make any amendment of Association Documents.

ARTICLE 11
ASSESSMENTS

Section 11.1 Obligation for Assessments. Each Owner, by acceptance of a deed therefor or interest therein, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association, in the manner, amounts and times prescribed herein, all Assessments which are described in the Association Documents and which shall be both a personal obligation of the Owner and a lien against his Lot as provided therein. Each Owner shall be jointly and severally liable to the Association for the payment of all Assessments attributable to them and/or their Lot. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title or interest unless expressly assumed by them. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for herein by non-use of the Association Properties or the facilities contained therein, by non-use of any service provided by the Association for all Owners, by abandonment or leasing of his Lot, or by asserting any claims against the Association, the Declarant or any other person or entity. In addition to the foregoing Assessments, charges, fees and other sums, each Owner shall have the obligation to pay real property ad valorem taxes and special assessments imposed by Colorado governmental subdivisions against his Lot. All property dedicated to and accepted by a public or governmental authority and the Association Properties shall be exempt from Assessments hereunder.

Section 11.2 Purpose of Assessments. The Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the Owners and for the improvement and maintenance of the Association Properties as more specifically provided herein.

Section 11.3 Common Assessments. The Common Assessments may include, but shall not be limited to, the following common expenses:

- (a) expenses of management of the Association and its activities;
- (b) taxes and special assessments upon the Association Properties, both real and personal property;
- (c) premiums for all insurance which the Association is required or permitted to maintain;
- (d) common services to Owners as approved by the Board;
- (e) landscaping and care of the Association Properties and any recreational or other Association facilities or improvements located thereon;
- (f) repairs and maintenance that are the responsibility of the Association, including, without limitation, the obligations described in Section 8.3 of this Declaration;

- (g) wages for Association employees and payments to Association contractors;
- (h) legal and accounting fees for the Association
- (i) any deficit remaining from a previous Assessment year;
- (j) the creation of reasonable contingency reserves, surpluses, and sinking funds, and adequate reserve funds for maintenance, repairs and replacement of those elements of Association Property or maintenance that must be done or replaced on a periodic basis and are payable in regular installments, rather than by Special Assessments;
- (k) the creation of reasonable contingency reserves for any applicable insurance deductibles and emergencies;
- (l) any other costs, expenses, and fees which may be incurred or may reasonably be expected to be incurred by the Board, in its sole discretion, for the benefit of the Owners under or by reason of this Declaration;
- (m) the cost and expense of maintaining the private Roadway in the Community Area, lights, signage and community mailboxes;
- (n) the cost and expense of maintaining the Detention Basins and the Retention Pond within the Community Area;
- (o) the cost and expense of the Forestry Management;
- (p) the cost and expense of any services or programs provided within the Community Center or any other Community Amenity by the Association;
- (q) the cost and expense of operating, administering and accounting for the water system and Water Rights described in this Declaration.

Common Assessments shall be paid quarterly as provided in Section 11.5.

Section 11.4 Declarant's Obligation. Until Assessments are first levied by the Association pursuant to this Article 11, Declarant shall pay all common expenses of the Association described in Section 11.3.

Section 11.5 Common Assessment Procedure.

(a) Promptly after this Declaration is recorded, the Board of Directors shall set the total annual Common Assessment for 2001 based upon an estimated budget for the Association for 2002. No later than ninety days before the beginning of each year after 2002,

the Board of Directors shall set the total annual Common Assessment based upon an advanced budget of the Association's requirements for the following Assessment year. Within thirty days after adoption of the Association's budget for each year, by the Board, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing or other delivery of the budget summary. The notice mailed to the Owners shall include a ballot allowing an Owner to vote for or against approval of the budget by returning the ballot, marked and signed by the Owner, to the Board, by mail or otherwise, prior to or on the date on which the meeting is scheduled. Unless a majority of all Owners present and voting in person or by proxy at the meeting called to discuss the budget or voting by the mailed ballot returned to the Board prior to that meeting reject the budget, the budget is ratified, whether or not a quorum is present at the meeting. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

(b) After approval of the budget by the Owners, the Board shall cause to be prepared, delivered or mailed to each Owner at least thirty days in advance of the date payment is due, a payment statement setting forth the annual Common Assessment. That annual Common Assessment shall be payable in advance in quarterly installments due on the first day of each successive quarter unless the Board otherwise directs or changes to monthly assessments. All payments of Common Assessments shall be due and payable, without any notice or demand, on the due dates declared by the Board. Common Assessments shall be applicable to all Lots, including those owned by Declarant. Declarant and other Owners of Lots at the time a Common Assessment is first levied shall become responsible for Common Assessments at that time. Each Owner who subsequently acquires a Lot shall become responsible for Common Assessments on the Lot as of the date the Lot is transferred to such Owner. The first annual Common Assessment shall be adjusted according to the number of months remaining in the fiscal year as established pursuant to the Bylaws of the Association. The Board may adopt Rules and Regulations requiring the Owner, at the time when Common Assessments first commence upon that Owner's Lot as provided in this section, to prepay the Common Assessments for the balance of the quarterly period and an additional period which shall not exceed an additional twelve months; such prepayment shall not relieve the Owner from any additional requirement to pay working capital pursuant to Section 11.18.

Section 11.6 Rate of Assessments. Common Assessments and Special Assessments shall be sufficient to meet the expected needs of the Association. Special Assessments shall be allocated equally and uniformly among all Lots, so that each Owner is obligated to pay an equal Special Assessment for each Lot owned. The rate for Special Assessments shall be determined by dividing the total Special Assessment payable for any Assessment period, as determined by the ratified budget, by the number of Lots then subject to this Declaration. The resulting quotient shall be the amount of the Special Assessment payable with respect to each Lot. Common Assessments shall differ depending on whether or not a Lot contains a completed Dwelling Unit. The Common

Assessment payable with respect to a Lot upon which a Dwelling Unit has been substantially completed shall be between 10 to 30 times the Common Assessment for a Lot on which a Dwelling Unit has not been substantially completed until the applicable Transition Date described below. The Association shall set the ratio between 10 to 30 by resolution adopted by the Board, which ratio may be changed, but will remain within such range of 10 to 30 until the applicable Transition Date described below. If a Dwelling Unit is completed on a Lot after the Common Assessment for a quarter has been billed, the Common Assessment for that Lot will not be changed until the following quarter.

Common Assessments shall not cease to differ depending on whether or not a Lot contains a completed Dwelling Unit as of the following dates (the "Transition Date"):

- (a) January 2003 for Lots within High Forest Ranch Filing No. 1.
- (b) Three (3) following the date on which an amendment to this Declaration is recorded in the real property records of El Paso County, Colorado, which annexes High Forest Ranch Filing No. 2 into this Declaration.

Section 11.7 Failure to Fix Assessment. The failure by the Board of Directors to levy an Assessment for any period shall not be deemed a waiver or modification with respect to any of the provisions of this Declaration or a release of the liability of any Owner to pay Assessments for that or any subsequent period.

Section 11.8 Special Assessments. In addition to Common Assessments, the Board of Directors may, subject to the provisions of this section, levy Special Assessments for the purpose of raising funds to construct or reconstruct, repair or replace capital Improvements upon Association Properties, including personal property relating thereto; to add to the Association Properties; to provide for necessary facilities and equipment; to offer the services authorized in this Declaration; to correct any deficit or cost overrun; or to repay any loan made to the Association to enable it to perform the duties and functions authorized in this Declaration. Special Assessments shall be equally, uniformly imposed upon Lots as provided in Section 11.6. No Special Assessment shall be assessed until it has been ratified by the Owners in accordance with a procedure substantially identical to the procedure set forth in Section 11.5(a). At any time that insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed Improvements on the Association Properties, or on any other property which the Association maintains, the Association may levy Special Assessments for the purpose of repair or reconstruction of such damaged or destroyed Improvements; all such Special Assessments shall be equal to the amount by which the costs of repair or reconstruction of Improvements exceeds the sum of insurance proceeds awarded for the damage or destruction, and shall be set in the same manner as other Special Assessments. The Association shall notify Owners in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable, and the Owners shall pay any such Special Assessment in the manner so specified.

Section 11.9 Site Assessments. The Board of Directors may, subject to the provisions hereof, levy a Site Assessment against any Member, Owner, or Lot if the willful or negligent acts or omissions of the Member, Owner or a Related User cause any violation of the Association Documents or cause any loss or damage to the Association or Association Properties or cause any expenditure of funds in connection with the enforcement powers of the Association. Except for a default consisting solely of a failure to timely pay any Assessment, including, without limitation, Special Assessments or Common Assessments, which shall not require any notice and hearing, a Site Assessment shall be levied only after such notice and hearing as may be required by the Bylaws. The amount of the Site Assessment shall be due and payable to the Association upon notice by the Board that the Site Assessment is owing. Imposition or non-imposition of Site Assessments shall not preclude the Association from pursuing simultaneously or subsequently all other legal or equitable rights and remedies.

Section 11.10 Costs of Enforcement, Late Charges and Interest. If any Assessment is not paid within ten days after it is due, the Member, Owner or other Person obligated to pay the Assessment may be additionally required to pay all costs of enforcement, including without limitation, reasonable attorneys' fees, court costs, witness expenses, and all related expenses ("collection expenses"), and to pay a reasonable late charge to be determined by the Board. Any Assessment which is not paid within ten days after the date of any notice of default given under Section 11.12 shall bear interest from the due date at a rate determined by the Board, not to exceed the lower of twenty-one percent per annum, or the maximum percentage permitted by law, from the due date until paid.

Section 11.11 Attribution of Payments. If any Assessment payment is less than the amount assessed, the sums received by the Association from that Owner shall be credited in such order of priority as the Board of Directors, in its discretion, determines.

Section 11.12 Notice of Default and Acceleration of Assessments. If any Assessment is not paid within thirty days after its due date, the Board of Directors may mail a notice of default to the Owner and to each First Mortgagee of the Lot who has requested a copy of such notice. The notice shall substantially set forth (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date not less than twenty days from the date of mailing of the notice by which such default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in the foreclosure of the lien for the Assessment against the Lot of the Owner. A default shall not be considered cured unless the past due sums, collection expenses, and all sums coming due through the date of payment are paid to the Association. If the delinquent Assessment and any collection expenses, late charges or interest thereon, plus any other sums due as of the date of the payment, are not paid in full on or before the date specified in the notice, the Board, at its option, may enforce the collection of the Assessment and all collection expenses, charges and interest thereon in any manner authorized by law or in the Association Documents.

Section 11.13 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner against whom it is assessed.

In the event of a default in payment of any Assessment, the Board may, in addition to any other remedies provided under the Association Documents or by law, enforce such obligation on behalf of the Association by suit or by filing and foreclosure of a lien as hereinafter provided. Each Owner, by acceptance of a deed to a Lot, whether or not it is expressed in such deed, is deemed to covenant and agree to pay to the Association all Assessments, together with interest, late charges, and expenses of collection, and this covenant shall be a charge on the land and a continuing lien upon the Lot against which the Assessment is made. The lien created hereby shall exist from the date of each Assessment until all sums are paid, whether or not a Notice of Lien is filed in accordance with Section 11.15.

Section 11.14 Lawsuit to Enforce Assessments. The Board may bring a suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include any late charge, interest, and other costs of enforcement against the defaulting Owner, including, without limitation, reasonable attorneys' fees.

Section 11.15 Lien to Enforce Assessments. The Association shall have a lien for Assessments (the "Lien") as provided in Section 38-33.3-316, Colorado Revised Statutes. In addition to or in lieu of bringing suit to collect Assessments, the Association may foreclose its Lien as provided by law and in this section. The Board may elect (but is not required to) to file a claim of lien against the Lot of the defaulting Owner by recording a notice ("Notice of Lien") substantially setting forth: (a) the amount of the claimed delinquency, (b) the interest and expenses of collection which has accrued thereon, (c) the legal description and street address of the Lot against which the lien is claimed, and (d) the name of the record Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The Lien shall have the priority provided by the Colorado Common Interest Ownership Act and shall be prior to any declaration of homestead rights recorded after the time that the Lot becomes part of the Community Area. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver by the Owner of the homestead exemption as against said Lien. The Lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Lien, including, without limitation, all collection expenses, court costs, recording costs and filing fees, have been fully paid or satisfied, the Association shall execute and record a notice releasing the Notice of Lien, if recorded, upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the cost of preparing and recorded the release of the Notice of Lien. Unless paid or otherwise satisfied, the lien may be foreclosed through a Colorado court of competent jurisdiction in accordance with the laws of the State of Colorado applicable to foreclosure of real estate mortgages (not including public trustee foreclosures of deeds of trust), or in any other manner permitted by law. The Association shall have the right and power to bid on the Lot at the sale and to acquire and hold, lease, mortgage, and convey the same. The lien under this section shall be subject to the provisions and restrictions of Section 15.6 hereof.

Section 11.16 Estoppel Certificates. Upon the payment of such reasonable fee as may be determined from time to time by the Board of Directors, and upon the written request of any Member

or Owner and any Person which has, or intends to acquire, any right, title or interest in the Lot of such Member or Owner, the Association shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a Lot and the Owner thereof, and setting forth the amount of any Assessment levied against such Lot which is not yet due and payable. Such statement shall, with respect to the Person whom it is issued, if relied thereupon in good faith and without actual knowledge to the contrary, be conclusive against the Association.

Section 11.17 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offset, abatement or reduction thereof shall be permitted for any reason whatsoever, including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration, or for inconvenience or discomfort arising from any activity of the Association Properties, or the non-use by an Owner of Association Properties or services provided by the Association or because an Owner claims that a particular function funded by the Assessment does not benefit that Owner directly, or for any other reason.

Section 11.18 Working Capital Fund. The Board may, at its option, require the first Owner, at the time when Assessments commence under Section 11.5, to make a nonrefundable contribution to the Association of an amount equal to three (3) times the monthly Common Assessment which is assessed, as of the date of delivery of the deed, against Lots which contain a Completed Dwelling Unit, as provided in Section 11.6 of this Declaration. All such contributions shall be maintained in a non-segregated working capital account for the use and benefit of the Association for, among other purposes, meeting unforeseen expenditures or purchasing additional equipment, property or services. The working capital contribution shall be in addition to the Assessment, and shall not relieve the Owners from paying all Assessments as they come due.

ARTICLE 12 INSURANCE

Section 12.1 Insurance on Association Properties. The Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as a common expense. Notwithstanding any of the specific insurance requirements specified in this Article 12, the Association may also consider, in determining the type and amount of insurance it needs to obtain, the then-existing requirements of the Agencies.

(a) A policy of property insurance covering all insurable Association Properties for broad form covered causes of loss, in an amount not less than the full insurable replacement cost of the insured property less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other

items normally excluded from property policies. Such insurance as maintained by the Association pursuant to this subsection shall afford protection against at least the following:

(1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

(2) such other risks as at the time are customarily covered with respect to associations having property similar in construction, location and use, including all periods normally covered by the standard "all risk" endorsement, where such is available.

(b) A comprehensive policy of commercial general liability insurance covering all of the Association Properties, insuring the Association in an amount but not less than \$1,000,000.00 covering bodily injury, including death, personal injury and property damage liability arising out of a single occurrence. Such coverage shall include, with limitation, legal liability of the insureds for property damage, bodily injuries and deaths in connection with the operation, maintenance or use of the Association Properties, legal liability arising out of lawsuits related to employment contracts of the Association, and protection against liability for non-owned and hired automobiles. Such coverage may also include, if applicable, comprehensive automobile insurance, liability for property of others, host liquor liability, water damage liability, contractual liability, workmen's compensation insurance for employees of the Association, and insurance coverage of such other risks as are customarily required by private institutional mortgage investors with respect to associations having property similar in construction, location and use. This policy shall insure the Association, the Board of Directors, the Association's managing agent (if any), and their respective employees, agents and all persons acting as agents. Declarant shall be included as an additional insured in its capacity as an Owner of Lots. The Owners shall be included as additional insureds but only for claims and liabilities arising from the ownership, existence, use of management of the Association Properties. The insurance shall cover claims of one or more insured parties against other insured parties.

(c) A policy providing comprehensive fidelity coverage or fidelity bonds to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, in an amount at least equal to the estimated maximum of funds, including reserves, held by the Association at any given time; provided, however, that such fidelity coverage or fidelity bonds shall not be in an amount less than two months' aggregate Common Assessments on all Lots, plus the Association's reserve funds. Such fidelity coverage or bonds shall meet the following requirements:

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

(2) such fidelity coverage or bonds shall contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of "employee" or similar expression.

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

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

(e) Notwithstanding any other provision of the Association Documents, all insurance acquired by the Association shall satisfy the requirements of Section 38-33.3-313, Colorado Revised Statutes.

Section 12.2 General Provisions of Insurance Policies. All policies of insurance carried by the Association shall be carried in blanket policy form naming the Association, or its designee, as trustee and attorney-in-fact for all Owners, as the insured, and each Owner shall be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies shall contain a standard non-contributory First Mortgagee's clause in favor of each First Mortgagee, and a provision that it cannot be canceled or materially altered by either the insured or the insurance company until thirty days' prior written notice thereof is given to the insured and to each First Mortgagee, insurer or guarantor of a First Mortgage. The Association shall furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premium payment and a certificate identifying the interest of the Owner in question, to any party in interest including First Mortgagees, upon request and payment of a reasonable fee. Any such Owner's policy shall also contain waivers of subrogation. Additionally, all policies shall contain waivers of any defense based on invalidity arising from any act or neglect of an Owner where such Owner is not under the control of the Association. Insurance obtained by the Association, to the extent reasonably feasible, and provided that Declarant reimburses the Association for any additional premium payable as a result, shall name Declarant as an additional insured and shall contain a waiver of subrogation rights against Declarant. Casualty, fire and extended coverage insurance may be provided under blanket policies covering the Association Properties and property of Declarant.

Section 12.3 Deductibles. No policy or insurance of which the Association or its designee is the beneficiary shall include a deductible clause in an amount which is greater than the lesser of \$10,000.00 or one percent of the face amount of the policy. Any deductible shall be payable by the Person responsible for the repair and maintenance of the damaged or destroyed property which is

the subject of an insurance claim. In the event of a joint duty of repair and maintenance of the damaged or destroyed property, then the deductible may be apportioned among the parties sharing in such joint duty, or may be partly or wholly borne by the Association, at the election of the Board of Directors.

Section 12.4 Insurance Trustee. The Association may authorize a representative to act for it, including any trustee or successor thereto, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance. Such insurance trustee shall act as attorney-in-fact for the purpose of purchasing and maintaining insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. Said party may also receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Owners and their First Mortgagees as their interests may appear.

Section 12.5 Acceptable Insurance Companies. Each hazard insurance policy purchased by the Association must be written by a hazard insurance carrier which has a current credit or financial rating, which meets any applicable requirements of the Agencies, and is authorized by law to do business in the State of Colorado. The Association shall not obtain any policy if (a) the terms of the insurance company's charter, bylaws, or policy provide that contributions or assessments may be made against the mortgagor or mortgagee's designee, or (b) the terms of the carrier's charter, bylaws, or policy provide that loss payments are contingent upon action by the carrier's board of directors, policyholders or members, or (c) the policy includes any limiting clauses (other than insurance conditions) which would prevent a First Mortgagee or any Owner from collecting insurance proceeds.

Section 12.6 Other Insurance to be Maintained by Owners. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, public liability insurance coverage upon each Lot, and hazard insurance coverage on the Improvements owned by each Owner shall be the responsibility of the Owner of such Lot.

Section 12.7 Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Board of Directors to ascertain that coverage provided by such policies adequately covers those risks insured by the Association.

Section 12.8 Owners' Negligence. Notwithstanding anything to the contrary contained in this Declaration, in the event that the need for maintenance, repair or reconstruction of any or all of the Association Property is caused by the willful or negligent act or omission of any Owner, or a Related User of such Owner, the cost of such repair, maintenance or reconstruction shall be the personal obligation of such Owner, and any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction may be collected as a Site Assessment as provided in this Declaration or by the Association exercising any rights or remedies under the Association Documents or otherwise as permitted by law. A determination of the negligence or willful act or omission of any Owner's liability therefor, shall be determined by the Board of Directors at a hearing

after any notice required by the Bylaws to be given to the Owner, but any determination by the Board of Directors shall be subject to judicial review as appropriate.

ARTICLE 13 EASEMENTS

Section 13.1 Easement for Encroachments. If any portion of an Improvement encroaches upon the Association Property, including any future encroachments arising or resulting from erosion or subsidence, or from the repair or reconstruction of an Improvement subsequent to its damage, destruction or condemnation, the Board may grant a valid easement on the surface and for subsurface support below such surface and for the maintenance of same, for so long as such encroachment exists, but subject to any conditions or restrictions imposed by the Board.

Section 13.2 Association Easement. An easement to perform its maintenance or other rights or obligations pursuant to this Declaration is hereby granted to the Association, its officers, agents, employees and assigns, upon, across, over in and under the Community Area, together with the right to make such use of the Community Area as may be necessary or appropriate in carrying out such maintenance or other rights or obligations.

Section 13.3 Easement for Access. Notwithstanding Declarant's conveyance of the private streets shown on the Plats to the Association pursuant to Section 9.2, Declarant hereby reserves, for itself, its successors and assigns, a perpetual and non-exclusive easement for ingress and egress, on, over and across all private streets and roads with the Community Area that provide access to any Lots. Such easement shall be appurtenant to and shall run with all real property within the Community Area now or hereafter owned by Declarant, its successors or assigns, and such easement shall automatically be conveyed to any successor of Declarant as the developer of the Community Area, whether or not the easement is expressly conveyed in any deed or conveyance transferring real property within the Community Area to such successor. The easement created by this Section 13.3 shall survive Declarant's conveyance or private streets within the Community Area to the Association, whether or not an express reservation is contained in the deed conveying such streets.

Section 13.4 Utilities. Declarant hereby creates and reserves to itself until Declarant has sold the last Lot in the Community Area to an Owner other than Declarant, and, thereafter, to the Association:

(a) perpetual, alienable, divisible and releasable easements and the right from time to time to grant such easements to others over, under, in and across each of the utility easements of each Lot as shown on the Plats or the PUD Development Plan for use of all or part of such areas for lines for transmission of electric current or impulses or electronic signals, for heat and fuel lines, for water lines, for utility lines, for drainage and for other similar or dissimilar facilities and purposes, and for any one or more of such purposes;

(b) a blanket easement across, over and under the Association Properties for access, utilities, drainage and the installation, replacement, repair and maintenance of utilities; and

(c) a perpetual easement to access each Lot for purposes of inspecting each Lot for compliance with all Water Rights and septic systems and related limitations, restriction and rules and regulation and to read water meters.

If any utility or quasi-utility company furnishing a service covered by the easements created herein requests a specific easement by separate recordable document, Declarant reserves and is hereby given the right and authority to grant such easement. The Association shall succeed to such right and authority upon conveyance by Declarant of the last Lot in the Community Area to the first Owner thereof, other than Declarant. The easement provided for in this section shall in no way affect, avoid, extinguish or modify any other recorded easement on the Community Area.

Section 13.5 Easement for Emergency and Public Service Vehicles. There is hereby granted an easement for school buses, mail and other delivery vehicles and emergency vehicles, including fire, police and ambulance, to use the streets in the Community Area for emergency and other official purposes.

Section 13.6 Easements Deemed Created. All conveyance of Lots hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Declaration, including but not limited to the easements created in Section 4.8, 4.9, 4.10, 4.13, 4.14, 4.15, 4.16, 5.22, 5.23 and 8.3 (d), whether or not specific reference to such easements or to this Article appears in the instrument of such conveyance.

Section 13.7 Easements of Record. In addition to the easements created in this Article 13 and on the Plats, the Community Area is subject to those easements and other matters currently of record in El Paso County, Colorado.

ARTICLE 14 WATER AND SEPTIC RESTRICTIONS AND REQUIREMENTS

Section 14.1 Water and Sanitary Facilities. Water, sewer and other utilities are the responsibility of each Lot Owner. Each Owner hereby acknowledges that the Community Area, including but not limited to each Lot contained therein, is subject to the terms, conditions and requirements contained in that certain Findings of Fact, Conclusions of Law and Decree issued by the Colorado District Court, Water Division 2, in Consolidated Case Nos. 99CW167 and 99CW237, a copy of which has been recorded at Reception No. 200107751 of the real property records of El Paso County, Colorado (the "Decree"). The Declarant will convey title to the Association of all of the nontributary Laramie-Fox Hills Aquifer water rights and all of the water rights from the Dawson aquifer as decreed in Case No. 85CW131 (Water Division No. 2) as well as all of the rights

associated with the augmentation plan entered in Case No. 99CW167, Water Division No. 2. Each Owner of a Lot, subject to any greater restrictions contained in the Decree and all appropriate governmental approval and applicable laws, applicable water permits, Rules and Regulations, may be permitted to drill a domestic water well into the Dawson aquifer on the Lot owned by said Owner and utilize a portion of the water owned by the Association for providing a supply of water for ordinary household purposes, and exterior irrigation, subject to the following requirements:

(a) For the purpose of these Covenants, "domestic" purposes include ordinary in-house uses, watering of lawn and garden, and watering of non-commercial domestic animals.

(b) Each Owner shall be required to provide to the Association, at least 3 times per year, readings of the Owner's totalizing flow meter. Requested information shall be provided to the Association within 30 days following delivery to the Owner of the Association's request.

(c) No more than 4,600 square feet per Lot may be irrigated, regardless of the use thereof. In addition, the irrigated surfaces within a Lot will be further limited to a total of 3,000 square feet in the event an accessory building has been approved in writing by the Association, in accordance with the terms and conditions contained herein, for use as a Dwelling Unit (whether or not for rental purposes).

(d) Each Owner of a Horse Lot may maintain no more than four mature animals on his/her Lot. Such animals may be maintained for non-commercial purposes only and shall be required to comply with the requirements set forth in Section 5.15 of this Declaration.

(e) Each such well shall be equipped with a totalizing flow meter and shall be maintained in good operating condition by the Lot Owner.

(f) Each Lot must have a non-evaporative septic tank and leach field domestic effluent system duly approved by the City-County Health Department of El Paso County, and all plans for same must be approved by the Architectural Committee. If a non-evaporative septic system is disapproved by the City - County Health Department of El Paso County, Colorado, the applicable Lot Owner shall apply to the Architectural Committee for permission to install an evaporative septic system within the Lot and the Architectural Committee shall grant such permission for installation of an evaporative septic system. All references in this Declaration to non-evaporative septic systems shall be deemed to include evaporative septic systems which have been approved by the Architectural Committee in the manner provided in this Section 14.1 (f). No sanitary or septic facility shall be constructed so as to interfere with the water supply of any adjoining property.

(g) Water from wells within the Community Area may not be used to initially fill, or, if drained, to refill water to swimming pools. Water from other offsite sources must be used for this purpose. Water from an Owner's well within the Community Area may, however, be used to level off or otherwise supplement the water line in an approved swimming pool, subject to the notice requirement indicated below. Each Owner who elects to level off or otherwise supplement the water level in an approved pool from his Community Area well shall be required to notify the Architectural Committee of the amount of water utilized during each such supplementing of pool water levels. Each Owner hereby acknowledges that any such use of water from wells within the Community Area will be subject to the restrictions set forth on the Decree and may subject such Owner to other water use restrictions, including without limitation a requirement to reduce the irrigated area contained within such Owner's Lot.

(h) The Association and each Owner shall be responsible for obligations and costs associated with the plan for augmentation, including, but not limited to, construction and pumping of Laramie-Fox Hills wells to replace pumping and post-pumping depletions to the appropriate stream systems.

Section 14.2 Disclosure. Each Owner hereby acknowledges the State Engineer's following admonition:

"Water in the Denver Basin Aquifer is allocated based on a 100 year life; however, for El Paso County planning purposes, water in the Denver Basin Aquifer is evaluated based on a 300 year aquifer life. Declarant, the Association and all Lot Owners within the Community Area should be aware that the economic life of a water supply based on wells in a given Denver Basin aquifer, including the Laramie - Fox Hill Aquifer and the Dawson Aquifer, may be less than either the 100 years or 300 years indicated due to anticipated water level declines. Furthermore, the water supply plan should not rely solely upon non-renewable aquifers. Alternatively renewable water resources should be acquired and incorporated in a permanent water supply plan that provides future generations with a water supply."

Section 14.3 Water Wells for Each Lot. The Association holds title to the Water Rights described in Section 2.5 herein. Membership in the Association shall entitle each Owner to legally use a portion of the Water Rights for at least 300 years. The use by each Owner of the Water Rights is restricted and regulated by the terms and conditions of the augmentation plan described in Section 2.5 herein. The use is further limited by the restrictions set forth in this Declaration, and shall be based upon the water requirements of each Lot, including the amount necessary to provide in-house water use together with the limited irrigation provided for herein, and, for Owners of Horse Lots, including the water necessary to maintain the animals described in Section 5.15 herein. Based on the above, each Owner shall be entitled to at least an average annual withdrawal of approximately 0.50 acre-feet per year or approximately 150 acre-feet per Lot for a 300 year supply. Prior to constructing a well into the Dawson aquifer to provide water for Owner's Lot, Owner shall make application for a well permit from the State of Colorado. Said well permit application shall

designate the Association as "owner," and shall be approved by the Association prior to submission to the State of Colorado. The water court decree (described in Section 2.5 herein), approving the plan for augmentation for the wells to be used by each Owner, provides that the State of Colorado shall approve Dawson aquifer wells for each Lot. The Owners shall process all well permits and matters relating thereto through the Association. Each Owner and the Association hereby acknowledges that the County shall have no obligation for matters related to the issuance of well permits for the Lots or for assisting an Owner with his well permit application. Owner shall be responsible for all costs of construction of the Dawson aquifer well that provides water to Owner's Lot, and for all maintenance and repair of said well. Owner agrees to indemnify and hold harmless the Association for any claims made against the Association based upon the use of the well (as relates to location, completion, cost, performance, yield, or injuries that may arise from the drilling or operation of the well) that provides water to Owner's Lot, including reasonable costs and attorney's fees in the defense of any such claim. Each owner hereby acknowledges that the Water Rights which are available for use by each Owner in connection with his Lot will be evidenced by a certificate indicating that the Lot Owner will be entitled to a specified average annual withdrawal amount for a 300 year supply of water, which is the share of water described in this Section 14.3 ("Water Certificates"). Each Owner further acknowledges that each Owner's ability to utilize the Association's Water Rights will transfer automatically upon the transfer of title to a Lot and such rights are not severable from any Lot. The Association shall, therefore, have the right to cancel any previously issued Water Certificates if any Owner fails to transfer his Water Certificate to a successor Owner of the Lot. The Association shall have the right to establish reasonable fees, from time to time, for issuance of new Water Certificates to Owners. Each Owner hereby acknowledges that the location and completion of water well(s) satisfactory to each Owner on the Owner's Lot is the Owner's responsibility and not the Developer's or the Association's responsibility.

ARTICLE 15
MISCELLANEOUS

Section 15.1 Term of Declaration. Unless amended as herein provided, all provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration shall be effective for twenty years after the date when this Declaration was originally recorded, and, thereafter, shall be automatically extended for successive periods of ten years each unless terminated by agreement of the Owners with at least sixty-seven percent of the voting power of the Association, in the manner provided in Section 38-33.3-218, Colorado Revised Statutes.

Section 15.2 Amendment of Declaration by Declarant or the Association.

(a) Until the first Lot subject to this Declaration has been conveyed by Declarant by recorded deed, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the recordation of a written instrument, executed by Declarant, setting forth such amendment or termination.

(b) Declarant may amend the Declaration in accordance with Section 10.2 as necessary to exercise any of the development rights set forth in Section 10.2.

(c) The Association may amend the Declaration as permitted by the Colorado Common Interest Ownership Act.

Section 15.3 Amendment of Declaration by Members. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of the Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by Members with at least sixty-seven percent of the voting power of the Association, in accordance with the requirements of Section 38-33.3-217, Colorado Revised Statutes.

Section 15.4 Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of this Declaration shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant or any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall terminate at such time as the last Lot in the Community Area has been conveyed by Declarant to the first Owner other than Declarant.

15.4 A. Water Rights Restrictions. Notwithstanding any other provision in this Declaration to the contrary, all provisions addressing the water supply and the plan for augmentation including, but not limited to, Sections 2.5, 3.11, 4.10, and Article 14 shall neither terminate nor be revoked, changed, or amended except by Order of the Water Court, which may amend, modify, or change such provisions by judicial order. Notwithstanding any other provision in this Declaration to the contrary, the obligations of the Declarant (except as otherwise provided in the Detention Basin Agreement) the Association, and the Lot Owners with respect to the Detention Basins, assessments regarding the same, and the Detention Basin Agreement including, but not limited to, Sections 2.5, 4.9, 5.22, 8.3, and Article 11 shall neither terminate nor be revoked, changed, or amended except by written agreement of the Board of County Commissioners of El Paso County, Colorado.

Section 15.5 Special Rights of First Mortgagees. Any First Mortgagee, upon filing a written request therefor with the Association, shall be entitled to (a) receive written notice from the Association of any default by the Owner indebted to such First Mortgagee in the performance of the Owner's obligations under the Association Documents, which default is not cured within sixty days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) upon request, receive a copy of financial statement, within ninety days following the end of any fiscal year of the Association; (d) receive written notice of all meeting of Members; (e) designate a representative to attend any meeting of Members; (f) receive written notice of abandonment or termination of the Association or of this Declaration; (g) receive notice of any amendment to this Declaration, the Articles of Incorporation or the Bylaws; (h) receive

written notice of termination of any agreement for professional management of the Association of the Association Properties following a decision of the Association to assume self-management of the Association Properties; and (i) receive written notice of any damage to the Association Properties if the cost of reconstruction exceeds \$10,000.00, and of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Association Properties.

Section 15.6 Priority of First Mortgage Over Assessments. Each First Mortgagee who recorded its First Mortgage before Assessments have become delinquent and who obtains title to the Lot encumbered by the First Mortgage, whether pursuant to the remedies provided in the mortgage, by judicial foreclosure, or by deed or assignment in lieu of foreclosure, shall take title to the Lot free and clear of any claims for unpaid Assessments or charges against such Lot which accrued prior to the time such First Mortgagee acquires title, other than allocation of any deficiency prorated among all Members of the Association. A First Mortgagee shall be deemed to have acquired title to a Lot on the date of receipt of a deed in lieu of foreclosure, on the date of receipt of a Certificate of Purchase from the Public Trustee, or on the date of sale pursuant to a judicial foreclosure and receipt of the Sheriff's Certificate of Purchase, as the case may be.

Section 15.7 First Mortgagee Right to Pay Taxes and Insurance Premiums. Any one or more First Mortgagees, jointly or singly, shall be entitled to pay any taxes or other charges which are in default and which may become or have become a charge against any of the Association Properties, and may pay any overdue premiums on hazard insurance policies for any Association Properties, or may secure new coverage if the insurance policy on and Association Properties lapses, and the First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 15.8 Evidence of Required Approvals. Whenever the validity of any amendment to or revocation of this Declaration is conditioned upon voting by a stated percentage of Members and approval by First Mortgagees or Agencies, or both, the recorded document implementing the amendment or revocation shall contain a certification by an officer or the Association that the approvals of the required percentages of Members, First Mortgagees and Agencies were obtained. The Association shall keep on file in its offices such proxies, letters, minutes of meetings or other documentation as may be required to evidence compliance with applicable approval requirements, but the officer's certificate on the recorded instrument shall be sufficient public notice of compliance.

Section 15.9 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the Lot of such Person if no address has been given to the Association, and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Association.

Section 15.10 Persons Entitled to Enforce Declaration. The Association (acting by authority of the Board) or any Member (acting on his own behalf), shall have the right to enforce any or all of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration or the other Association Documents. The right of enforcement shall include the right to bring an action for damages, as well as an action to enjoin any violation of any provision of the Association Documents, and all other rights and remedies provided in the Association Documents and at law or in equity. **Each Owner hereby acknowledges that the Association's enforcement of the use restrictions contained in this Declaration will be in a manner which is consistent with the Water Rights described in Section 2.5 of this Declaration.**

Section 15.11 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

Section 15.12 Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any property within the Community Area, is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 15.13 Remedies Cumulative. Each remedy provided under the Association Documents is cumulative and not exclusive.

Section 15.14 Costs and Attorneys' Fees. In any action or proceeding under the Association Documents, the party which seeks to enforce the Association Documents and prevails, shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees and expert witness fees.

Section 15.15 Limitation on Liability. The Association, the Board of Directors, the Architectural Committee, Declarant, and any member, agent or employee of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice, and shall be indemnified by the Association to the fullest extent permissible by the laws of Colorado, including without limitation, circumstances in which indemnification is otherwise discretionary under Colorado law, in accordance with the subject to the terms and limitations contained in the Bylaws.

Section 15.16 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Community Area, or any Improvements thereon, as to its or their physical condition, zoning, compliance with applicable laws, or fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes

or regulation thereof, unless and except as shall be specifically set forth in a writing signed by Declarant.

Section 15.17 Liberal Interpretation. The provisions of the Association Documents shall be liberally construed as a whole to effectuate the purposes of the Association Documents. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 15.18 Governing Law. The Association Documents shall be construed and governed under the laws of the State of Colorado.

Section 15.19 Severability. Each of the provisions of the Association Documents shall be deemed independent and severable, and the invalidity or unenforceability or partial invalidity or partial enforceability or any provision or portion thereof shall not affect the validity or enforceability of any other provision.

Section 15.20 Number and Gender. Unless the context requires a contrary construction, as used in the Association Documents, the singular shall include the plural and the plural, the singular and the use of any gender shall include all genders.

Section 15.21 Captions for Convenience. The titles, headings and captions used in the Association Documents are intended solely for convenience of reference and are not intended to affect the meaning of any provision of this Declaration.

Section 15.22 Mergers and Consolidation. The Association may merge with another incorporated association to the extent permitted by law. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer and enforce the covenants, conditions and restrictions established by this Declaration governing the Community Area together with the covenants and restrictions established upon any other property, as one plan. Notwithstanding the foregoing, the Association shall have the right to merge into one association upon a vote of the respective boards of directors of such associations.

Section 15.23 Conflicts in Documents. In case of any conflict between this Declaration and the Articles of Incorporation or the Bylaws of the Association, this Declaration shall control. If there

is a conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

Section 15.24 Approving Authority Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent or meaning of any of these Covenants, the Declarant, during the Period of Declarant Control, and thereafter, the Association (the "Interpretive Authority"), shall determine the proper construction of the provisions in question and shall set forth in a written instrument duly acknowledged by the Interpretive Authority and filed for record with the Clerk and Recorder of El Paso County, the meaning, effect, and application of the provision. This determination will thereafter be binding on all parties so long as it is not arbitrary nor capricious.

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

DECLARANT:

Elite Properties of America, Inc.,
a Colorado Corporation, as Manager

By: [Signature]
Its: [Signature]

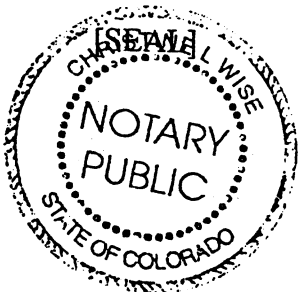
STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 20th day of March, 2001,
by Douglas M. Stimple as President of Elite Properties of America, Inc., a Colorado corporation.

Witness my hand and official seal.

My Commission Expires: 12-02-2001

Christine L. Wise
Notary Public



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CONSENT OF CURRENT OWNER

Classic Development - Woods LLC, a Colorado limited liability company, as current owner, hereby consents to this Declaration of Covenants, Conditions, Restrictions and Easements for High Forest Ranch.

Classic Development - Woods LLC

By: **Elite Properties of America, Inc.**,
a Colorado corporation, Manager

By: 
Its: Elite Properties of America, Inc.

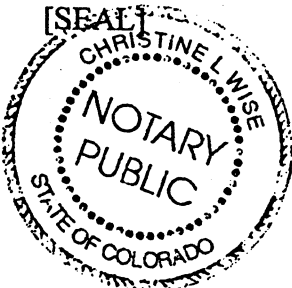
STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 26th day of March, 2001, by Douglas M. Stimpke as President of **Elite Properties of America, Inc.**, a Colorado corporation, as Manager of **Classic Development - Woods LLC**, a Colorado limited liability company.

Witness my hand and official seal.

My Commission Expires: 12-02-2001.

Christine B. Wise
Notary Public



J. Patriok Kelly El Paso Cty., CO
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201036670

**EXHIBIT A
TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR HIGH FOREST RANCH**

Legal Description of Community Area

LEGAL DESCRIPTION:

A TRACT OF LAND BEING A PORTION OF SECTION 26 AND A PORTION OF THE EAST HALF OF SECTION 27, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, SAID POINT BEING THE POINT OF BEGINNING; THENCE N89°40'05"W, ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, A DISTANCE OF 1319.27 FEET TO THE EAST SIXTEENTH CORNER OF SAID SECTION 27; THENCE N89°47'07"W, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27, A DISTANCE OF 584.64 FEET TO A POINT ON CURVE ON THE EASTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 83; THENCE ON SAID EASTERLY RIGHT-OF-WAY LINE, THE FOLLOWING THREE (3) COURSES:

1. ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS S78°50'04"E, HAVING A DELTA OF 05°49'25", A RADIUS OF 1382.50 FEET, A DISTANCE OF 140.52 FEET, TO A POINT ON CURVE;
2. N22°40'09"E, A DISTANCE OF 245.50 FEET;
3. N21°59'09"E, A DISTANCE OF 320.60 FEET;

THENCE S89°54'08"E, A DISTANCE OF 335.96 FEET; THENCE N00°00'42"E, A DISTANCE OF 662.14 FEET;

THENCE S86°27'28"W, A DISTANCE OF 90.04 FEET, TO A POINT ON CURVE ON THE EASTERLY RIGHT-OF-WAY LINE OF SAID HIGHWAY 83;

THENCE ON SAID EASTERLY RIGHT-OF-WAY LINE, THE FOLLOWING ELEVEN (11) COURSES:

J. Patriok Kelly El Paso Cty, CO 201036670
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1. ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS N72°36'53"W, HAVING A DELTA OF 05°32'59", A RADIUS OF 1432.50 FEET, A DISTANCE OF 138.75 FEET TO A POINT ON CURVE;
2. N08°51'47"E, A DISTANCE OF 194.30 FEET;
3. N06°11'19"E, A DISTANCE OF 1120.25 FEET;
4. N09°28'57"E, A DISTANCE OF 151.80 FEET TO A POINT ON CURVE;
5. ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS N85°17'22"W, HAVING A DELTA OF 05°42'23", A RADIUS OF 2923.00 FEET, A DISTANCE OF 291.12 FEET, TO A POINT ON CURVE;
6. N05°30'57"E, A DISTANCE OF 153.10 FEET;
7. N02°29'33"W, A DISTANCE OF 280.70 FEET;
8. N06°47'03"W, A DISTANCE OF 401.10 FEET;
9. N02°29'33"W, A DISTANCE OF 1060.00 FEET;
10. N43°14'27"E, A DISTANCE OF 138.90 FEET;
11. N02°34'09"W, A DISTANCE OF 30.00 FEET TO A POINT ON THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 27;

THENCE S89°04'31"E, ON SAID NORTH LINE, A DISTANCE OF 1146.04 FEET TO THE NORTHWEST CORNER OF SAID SECTION 26;

THENCE N89°14'53"E, ON THE NORTH LINE OF SAID SECTION 26, A DISTANCE OF 2683.08 FEET;

THENCE S08°30'00"W, A DISTANCE OF 720.47 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS N08°30'00"E, HAVING A DELTA OF 03°45'00", A RADIUS OF 2030.00, A DISTANCE OF 132.86 FEET TO A POINT OF TANGENT;

THENCE N77°45'00"W, A DISTANCE OF 6.00 FEET;

THENCE S12°15'00"W, A DISTANCE OF 331.93 FEET;

THENCE N85°30'00"W, A DISTANCE OF 390.31 FEET;

THENCE N00°00'00"W, A DISTANCE OF 37.28 FEET;

THENCE S82°39'45"W, A DISTANCE OF 368.01 FEET;

THENCE S17°26'07"W, A DISTANCE OF 368.36 FEET;

THENCE S30°35'00"W, A DISTANCE OF 549.44 FEET;

THENCE S42°20'00"W, A DISTANCE OF 249.99 FEET;

THENCE S86°10'00"E, A DISTANCE OF 170.25 FEET;

THENCE S00°30'00"E, A DISTANCE OF 1167.54 FEET;

THENCE S88°38'00"E, A DISTANCE OF 653.37 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS S68°11'09"E, HAVING A DELTA OF 04°01'10", A RADIUS OF 1170.00 FEET, A DISTANCE OF 82.08 FEET TO A POINT OF TANGENT;

THENCE S17°47'41"E, A DISTANCE OF 21.45 FEET;

THENCE S72°30'00"E, A DISTANCE OF 918.91 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS S74°12'25"E, HAVING A DELTA OF 01°00'35", A RADIUS OF 670.00 FEET, A DISTANCE OF 11.81 FEET TO A POINT ON CURVE;

THENCE S55°00'00"E, A DISTANCE OF 500.11 FEET;

J. Patriok Kelly El Paso Cty, CO

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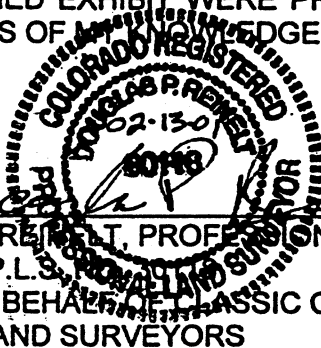

201036670

THENCE S14°11'10"E, A DISTANCE OF 217.86 FEET;
THENCE S12°00'00"E, A DISTANCE OF 502.34 FEET;
THENCE S89°52'00"W, A DISTANCE OF 33.98 FEET;
THENCE S00°08'00"E, A DISTANCE OF 678.59 FEET TO A POINT ON THE SOUTH LINE OF THE
SOUTHEAST QUARTER OF SAID SECTION 26;
THENCE N89°56'05"W, ON THE SOUTH LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF
563.66 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 26;
THENCE N89°56'11"W, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION
26, A DISTANCE OF 2660.62 FEET TO THE POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 418.996 ACRES.

LEGAL DESCRIPTION STATEMENT:

I, DOUGLAS P. REINELT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE
STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION
AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND
ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.

DOUGLAS P. REINELT, PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 02-130
FOR AND ON BEHALF OF CLASSIC CONSULTING,
ENGINEERS AND SURVEYORS

FEB 13, 2001
DATE

J. Patrick Kelly El Paso Cty, CO 201036670
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To be platted as High Forest Ranch, Filing No. 1

**EXHIBIT B
TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR HIGH FOREST RANCH**

The Expansion Property

LEGAL DESCRIPTION:

A TRACT OF LAND BEING THE NORTHWEST QUARTER AND SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 25 AND A PORTION OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

COMMENCING AT THE NORTH QUARTER OF SECTION 25, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN SAID POINT BEING THE POINT OF BEGINNING.

THENCE S00°24'30"E, ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 25, A DISTANCE OF 2648.46 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION 25;

THENCE S89°18'04"W, ON THE SOUTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 2665.09 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 25;

THENCE S00°25'46"E, ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 25, A DISTANCE OF 1322.34 FEET, TO THE SOUTH SIXTEENTH CORNER OF SAID SECTION 25;

THENCE N89°21'11"E, ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 25, A DISTANCE OF 1332.30 FEET TO THE SOUTHWEST SIXTEENTH CORNER OF SAID SECTION 25;

THENCE S00°25'08"E, ON THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 25, A DISTANCE OF 1323.55, TO THE WEST SIXTEENTH CORNER OF SAID SECTION 25;

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THENCE S89°24'17"W, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE
 SOUTHWEST QUARTER OF SAID SECTION 25, A DISTANCE OF 1332.05 TO THE
 SOUTHWEST CORNER OF SAID SECTION 25;
 THENCE N89°56'05"W, ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF
 SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL
 MERIDIAN, A DISTANCE OF 270.58 FEET;
 THENCE N46°22'15"W, A DISTANCE OF 153.85 FEET;
 THENCE N79°19'30"W, A DISTANCE OF 69.37 FEET;
 THENCE S84°12'05"W, A DISTANCE OF 62.72 FEET;
 THENCE S27°56'21"W, A DISTANCE OF 30.43 FEET;
 THENCE S44°41'02"W, A DISTANCE OF 120.11 FEET TO A POINT ON THE SOUTH LINE
 OF THE SOUTHEAST QUARTER OF SAID SECTION 26;
 THENCE N89°56'05"W, ON SAID SOUTH LINE, A DISTANCE OF 1484.70 FEET;
 THENCE N00°08'00"W, A DISTANCE OF 678.59 FEET;
 THENCE N89°52'00"E, A DISTANCE OF 33.98 FEET;
 THENCE N12°00'00"W, A DISTANCE OF 502.34 FEET;
 THENCE N14°11'10"W, A DISTANCE OF 217.86 FEET;
 THENCE N55°00'00"W, A DISTANCE OF 500.11 FEET TO A POINT ON CURVE;
 THENCE ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS
 S75°13'00"E, HAVING A DELTA OF 01°00'35", A RADIUS OF 670.00 FEET, A DISTANCE OF
 11.81 FEET TO A POINT ON CURVE;
 THENCE N72°30'00"W, A DISTANCE OF 918.91 FEET;
 THENCE N17°47'41"E, A DISTANCE OF 21.45 FEET TO A POINT OF CURVE;
 THENCE ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 04°01'10", A
 RADIUS OF 1170.00 FEET, A DISTANCE OF 82.08 FEET TO A POINT ON CURVE;
 THENCE N88°38'00"W, A DISTANCE OF 653.37 FEET;
 THENCE N00°30'00"W, A DISTANCE OF 1167.54 FEET;
 THENCE N86°10'00"W, A DISTANCE OF 170.25 FEET;
 THENCE N42°20'00"E, A DISTANCE OF 249.99 FEET;
 THENCE N30°35'00"E, A DISTANCE OF 549.44 FEET;
 THENCE N17°26'07"E, A DISTANCE OF 368.36 FEET;
 THENCE N82°39'45"E, A DISTANCE OF 368.01 FEET;
 THENCE S00°00'00"W, A DISTANCE OF 37.28 FEET;
 THENCE S85°30'00"E, A DISTANCE OF 390.31 FEET;
 THENCE N12°15'00"E, A DISTANCE OF 331.93 FEET;
 THENCE S77°45'00"E, A DISTANCE OF 6.00 FEET TO A POINT OF CURVE;
 THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 03°45'00", A
 RADIUS OF 2030.00 FEET, A DISTANCE OF 132.86 FEET TO A POINT ON CURVE;
 THENCE N08°30'00"E, A DISTANCE OF 720.47 FEET TO A POINT ON THE NORTH LINE OF
 SAID SECTION 26;
 THENCE N89°14'53"E, ON THE NORTH LINE OF SAID SECTION 26, A DISTANCE OF
 2671.29 FEET TO THE NORTHEAST CORNER OF SAID SECTION 26;

J. Patrick Kelly El Paso Cty, CO
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THENCE N89°07'40"E, ON THE NORTH LINE OF SAID SECTION 25, A DISTANCE OF 2632.79 FEET TO THE POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 580.303 ACRES.

LEGAL DESCRIPTION CONTINUED

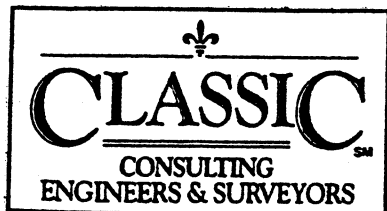
I, DOUGLAS P. REINELT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



DOUGLAS P. REINELT, PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 30118
FOR AND ON BEHALF OF CHAMBERLAIN CONSULTING,
ENGINEERS AND SURVEYORS

Feb 13, 2001
DATE

Expressly excluding the following property:



6385 Corporate Drive (719)785-3235
Colorado Springs, Colorado 80919 (719)475-1442(Fax)

J. Patrick Kelly El Paso Cty, CO 201036670
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NOVEMBER 30, 2000
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LEGAL DESCRIPTION: SCHOOL SITE

A TRACT OF LAND BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 26, AND A PORTION OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

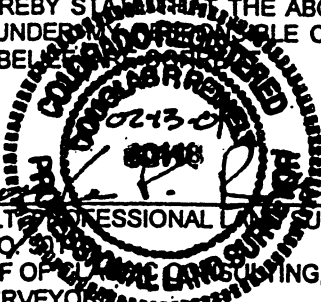
COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE S47°25'53"E, A DISTANCE OF 87.45 FEET TO THE POINT OF BEGINNING;
THENCE S10°00'00"W, A DISTANCE OF 606.24 FEET;
THENCE S65°00'00"W, A DISTANCE OF 475.12 FEET TO A POINT ON CURVE;
THENCE ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS S65°00'00"W, HAVING A DELTA OF 22°55'00", A RADIUS OF 430.00 FEET, A DISTANCE OF 171.99 FEET TO A POINT OF TANGENT;
THENCE N47°55'00"W, A DISTANCE OF 200.00 FEET TO POINT OF CURVE;
THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 18°50'04", A RADIUS OF 430.00 FEET, A DISTANCE OF 141.35 FEET TO A POINT ON CURVE;
THENCE N26°15'00"W, A DISTANCE OF 14.71 FEET;
THENCE N15°55'00"E, A DISTANCE OF 124.60 FEET, TO A POINT ON CURVE;
THENCE ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS N31°33'23"W, HAVING A DELTA OF 118°26'37", A RADIUS OF 60.00 FEET, A DISTANCE OF 124.03 FEET TO A POINT ON CURVE;
THENCE N00°00'00"W, A DISTANCE OF 202.79 FEET;
THENCE N89°14'53"E, A DISTANCE OF 878.10 FEET TO THE POINT OF BEGINNING;

CONTAINING A CALCULATED AREA OF 533,340 SQUARE FEET.

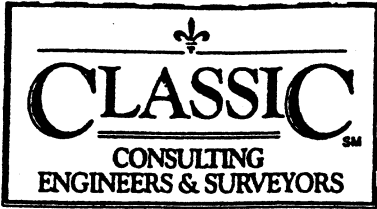
LEGAL DESCRIPTION STATEMENT:

I, DOUGLAS P. REINELT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY PERSONAL SUPERVISION AND UNDER MY PERSONAL CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF.


DOUGLAS P. REINELT, REGISTERED PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 30118
FOR AND ON BEHALF OF CLASSIC CONSULTING,
ENGINEERS AND SURVEYORS



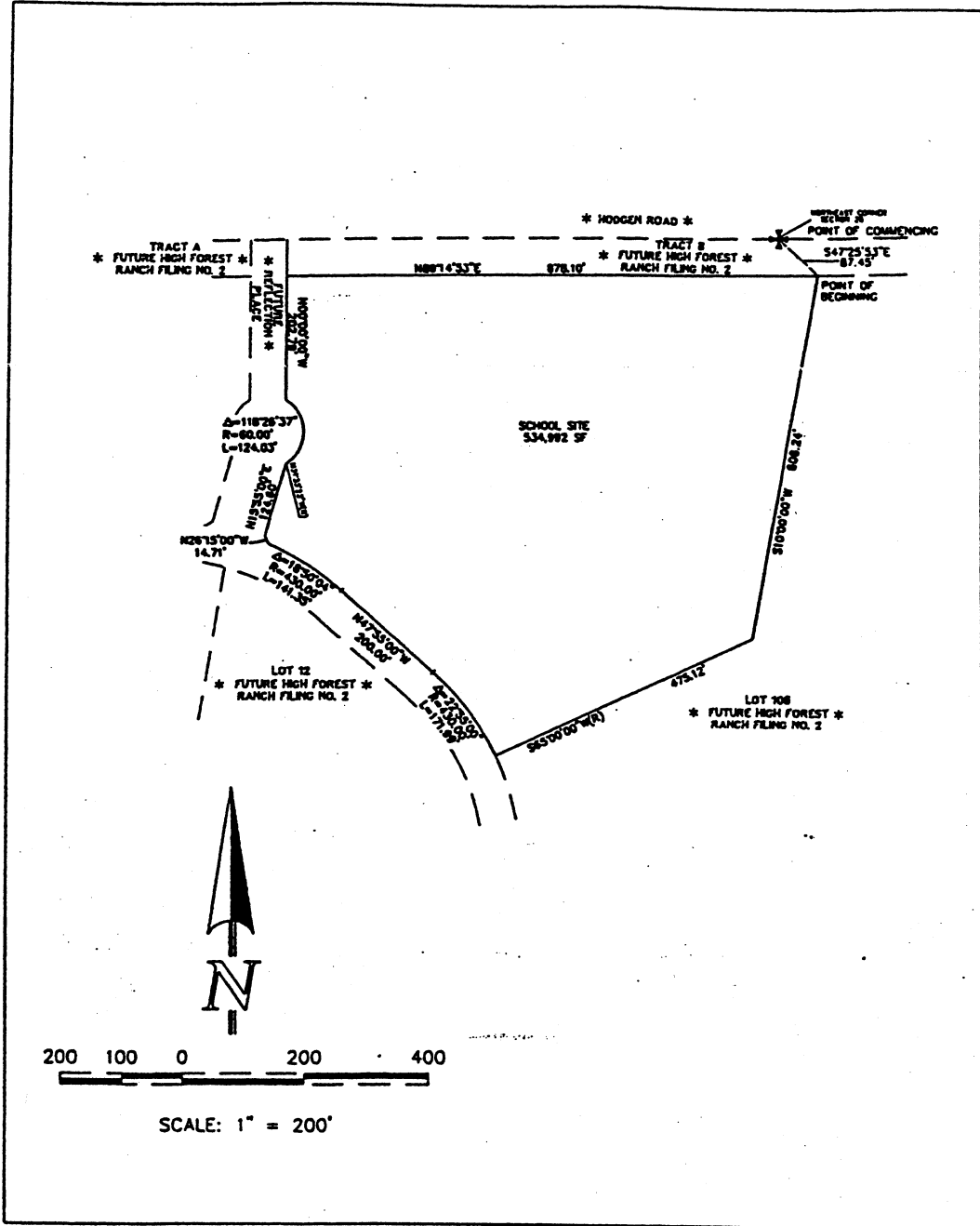
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DATE



6385 Corporate Drive (719)785-3235
Colorado Springs, Colorado 80919 (719)457-1442 (Fax)

SCHOOL SITE
HIGH FOREST RANCH FILING NO. 2
JOB NO. 9260.20-01
SHEET 2 OF 2
NOVEMBER 30, 2000

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CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY. SCHOOLSITE

**EXHIBIT C
TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR HIGH FOREST RANCH**

The Shamrock Easement

LEGAL DESCRIPTION: 16.5 FOOT EASEMENT

A TRACT OF LAND BEING A PORTION OF SECTION 27, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

A TRACT OF LAND 16.5 FEET IN WIDTH LYING 8.25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 27; THENCE N89°40'05"W ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 27, A DISTANCE OF 42.60 FEET TO THE POINT OF BEGINNING;

THENCE N00°29'07"W, A DISTANCE OF 671.68 FEET TO A POINT ON CURVE;
THENCE ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS N21°05'13"E, HAVING A DELTA OF 31°44'47", A RADIUS OF 561.75 FEET, A DISTANCE OF 311.25 FEET TO A POINT OF TANGENT;

THENCE N37°10'00"W, A DISTANCE OF 146.98 FEET TO A POINT ON CURVE;
THENCE ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS N37°31'32"W, HAVING A DELTA OF 41°53'28", A RADIUS OF 838.25 FEET, A DISTANCE OF 612.88 FEET TO A POINT OF TANGENT;

THENCE N10°35'00"E, A DISTANCE OF 605.07 FEET TO POINT OF CURVE;
THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 18°55'00", A RADIUS OF 538.25 FEET, A DISTANCE OF 177.71 FEET TO A POINT OF TANGENT;

THENCE N08°20'00"W, A DISTANCE OF 375.00 FEET TO A POINT OF CURVE;
THENCE ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 17°54'43", A RADIUS OF 1461.75 FEET, A DISTANCE OF 456.98 FEET TO A POINT ON CURVE;

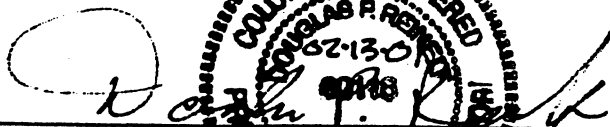
THENCE N41°28'35"W, A DISTANCE OF 95.70 FEET;

THENCE N01°03'00"W, A DISTANCE OF 193.26 FEET;

THENCE N00°29'07"W, A DISTANCE OF 1801.27 FEET TO THE POINT OF TERMINUS, SAID POINT BEING ON THE NORTHERLY BOUNDARY OF LOT 14 OF FUTURE HIGH FOREST RANCH FILING NO. 1; FROM WHENCE THE POINT OF BEGINNING BEARS S00°29'07"E, A DISTANCE OF 5148.48 FEET;

LEGAL DESCRIPTION STATEMENT:

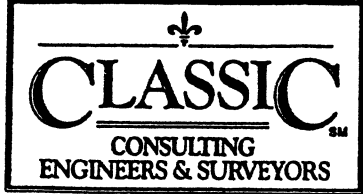
I, DOUGLAS P. REINELT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF.


DOUGLAS P. REINELT, REGISTERED PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 30118

FOR AND ON BEHALF OF PROFESSIONAL LAND SURVEYORS,
ENGINEERS AND SURVEYORS

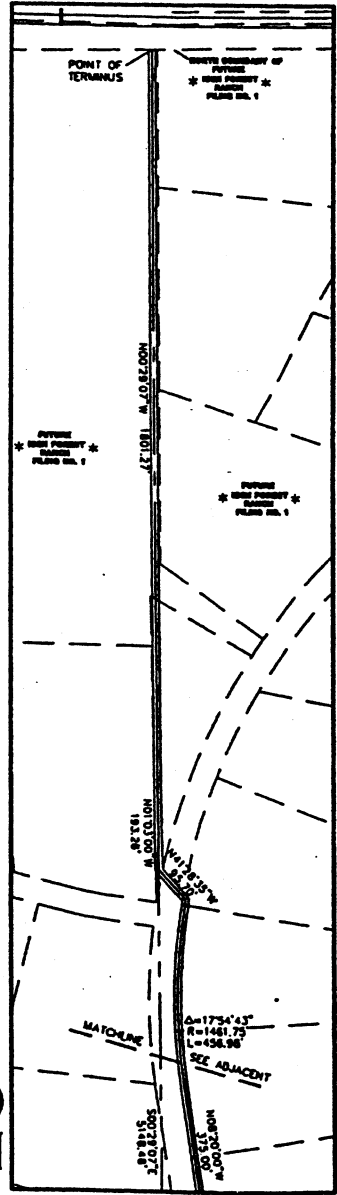
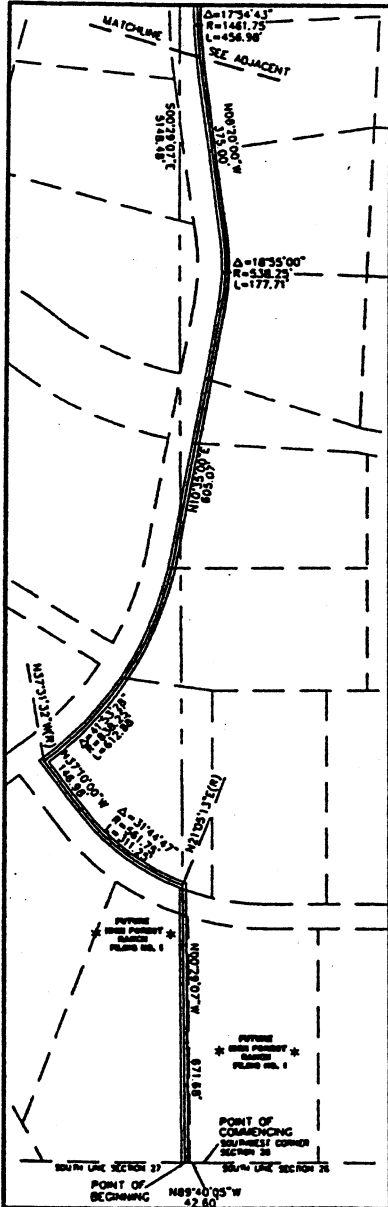
FEB 13, 2001
DATE

J. Patriok Kelly El Paso Cty, CO 201036670
03/27/2001 03:48
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Rec \$425.00 76 of 85



6385 Corporate Drive (719)785-3235
 Colorado Springs, Colorado 80919 (719)457-1442 (Fax)

HIGH FOREST RANCH
 NOVEMBER 9, 2000
 JOB NO. 9260.00
 JOB NO. SHEET 2 OF 2



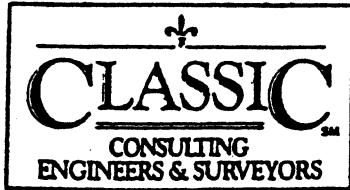
SCALE: 1" = 300'

CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY.

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**EXHIBIT D
TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR HIGH FOREST RANCH**

The Detention Basin Areas



6385 Corporate Drive
Colorado Springs, Colorado 80919
(719)785-3235 (719)457-1442(fax)

JOB NO. 9260.20
OCTOBER 5, 2000
REVISED FEB 7, 2001
PAGE 1 OF 2

LEGAL DESCRIPTION: PRIVATE DETENTION POND EASEMENT

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPLE MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

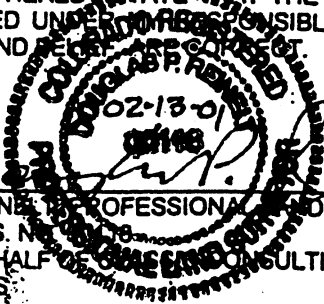
THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 26; THENCE N89°56'11"W, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 26, A DISTANCE OF 3.58 FEET TO THE POINT OF BEGINNING;
THENCE N89°56'11"W, ON SAID SOUTH LINE, A DISTANCE OF 452.00 FEET;
THENCE N22°00'00"W, A DISTANCE OF 191.72 FEET;
THENCE N45°00'00"E, A DISTANCE OF 200.00 FEET;
THENCE N90°00'00"E, A DISTANCE OF 200.00 FEET;
THENCE S88°03'19"E, A DISTANCE OF 162.76 FEET;
THENCE S11°00'00"W, A DISTANCE OF 213.38 FEET;
THENCE S30°00'00"E, A DISTANCE OF 120.90 FEET TO THE POINT OF BEGINNING;

LEGAL DESCRIPTION STATEMENT:

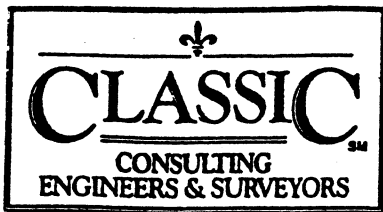
I, DOUGLAS P. REINELT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF.

[Signature]
DOUGLAS P. REINELT, REGISTERED PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 1888
FOR AND ON BEHALF OF CLASSIC CONSULTING ENGINEERS
AND SURVEYORS.



FEB 13, 2001
DATE

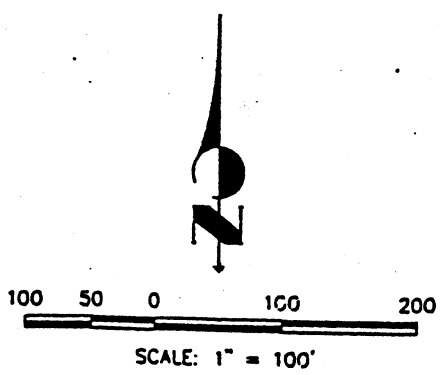
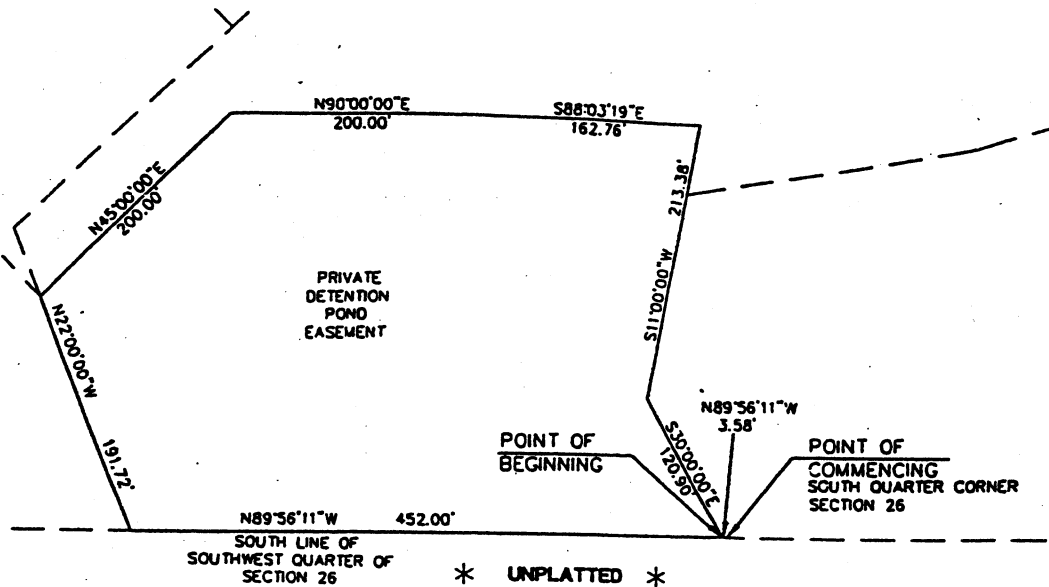
J. Patriok Kelly El Paso Cty, CO 201036670
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 Doc \$0.00 Page
 Rec \$425.00 78 of 85



6385 Corporate Drive, Suite 304 (719)785-0790
 Colorado Springs, Colorado 80919 (719)785-0799 (Fax)

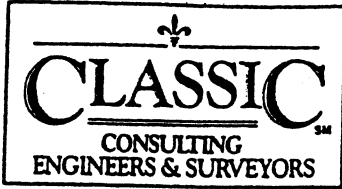
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 JOB NO. 9260.00-04
 SHEET 2 OF 2
 OCT 5, 2000/REV FEB 7, 2001

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CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY. ACCES

J. Patriok Kelly El Paso Cty, CO
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 Rec \$425.00 79 of 85



6385 Corporate Drive
Colorado Springs, Colorado 80919
(719)785-3235 (719)457-1442(fax)

JOB NO. 9260.00-13
DECEMBER 21, 2000
PAGE 1 OF 2

LEGAL DESCRIPTION:

TWO (2) PARCELS OF LAND BEING A PORTION OF SECTION 27, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

PARCEL 1 - DETENTION POND 28

COMMENCING AT THE NORTHEAST CORNER OF SECTION 27, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPLE MERIDIAN;
THENCE N89°04'31"W ON THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 27 A DISTANCE OF 34.14 FEET;
THENCE S00°26'23"E A DISTANCE OF 61.00 FEET, TO THE POINT OF BEGINNING;
THENCE S00°26'23"E A DISTANCE OF 215.00 FEET;
THENCE S90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N46°10'22"W A DISTANCE OF 217.09 FEET;
THENCE N00°00'00"E A DISTANCE OF 60.00 FEET;
THENCE N89°14'53"E A DISTANCE OF 355.00 FEET, TO THE POINT OF BEGINNING.

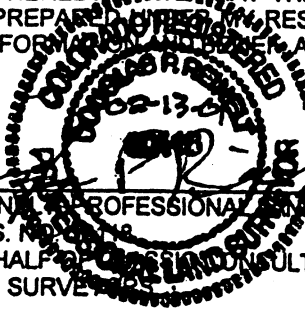
PARCEL 2 - DETENTION POND 27

COMMENCING AT THE NORTHWEST CORNER OF PARCEL 1 AS DESCRIBED ABOVE, THENCE N89°14'53"W A DISTANCE OF 380.00 FEET TO THE POINT OF BEGINNING;
THENCE S00°00'00"E A DISTANCE OF 190.00 FEET;
THENCE S90°00'00"W A DISTANCE OF 200.00 FEET;
THENCE N00°00'00"W A DISTANCE OF 187.37 FEET;
THENCE N89°14'53"E A DISTANCE OF 200.02 FEET, TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION STATEMENT:

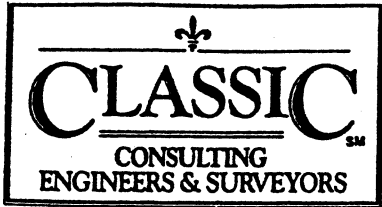
I, DOUGLAS P. REINELT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF ARE CORRECT.


DOUGLAS P. REINELT, REGISTERED PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 118
FOR AND ON BEHALF OF CLASSIC CONSULTING,
ENGINEERS AND SURVEYORS



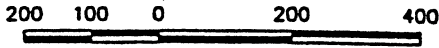
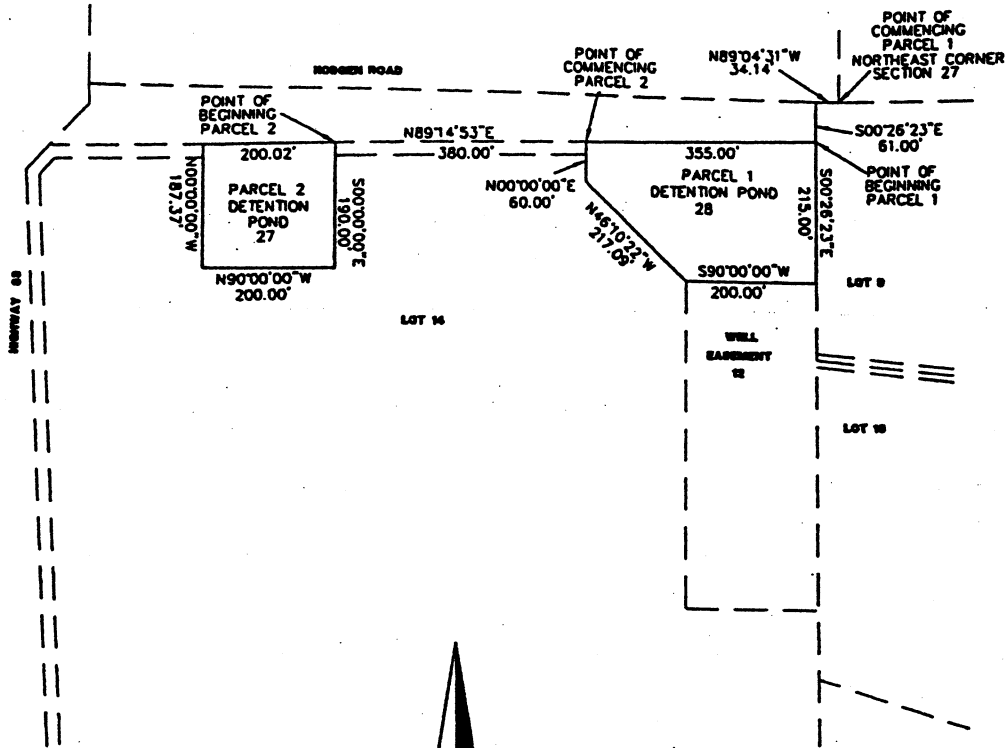
FEB 13, 2001
DATE

J. Patrick Kelly El Paso Cty, CO 201036670
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Doc \$0.00 Page
Rec \$425.00 80 of 85



NORTHWEST
 DETENTION PONDS
 HIGH FOREST RANCH
 JOB NO. JOB NO. 9260.00
 SHEET 2 OF 2

6385 Corporate Drive (719)785-3235
 Colorado Springs, Colorado 80919 (719)457-1442 (Fax)

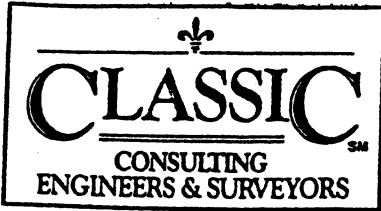


SCALE: 1" = 200'

CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY.

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6385 Corporate Drive (719)785-3235
Colorado Springs, Colorado 80919 (719)475-1442(Fax)

JOB NO. 9260.20 - 01
JANUARY 8, 2001
PAGE 1 OF 2

LEGAL DESCRIPTION: POND SITE AND ACCESS EASEMENT

TWO (2) TRACTS OF LAND BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

TRACT A

COMMENCING AT THE EAST SIXTEENTH CORNER OF SAID SECTION 27; SAID POINT BEING THE POINT OF BEGINNING;
THENCE N89°47'07"W, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27, A DISTANCE OF 392.32 FEET;
THENCE N00°00'00"W, A DISTANCE OF 248.82 FEET;
THENCE N90°00'00"E, A DISTANCE OF 259.74 FEET TO POINT A;
THENCE N90°00'00"E, A DISTANCE OF 130.00 FEET;
THENCE S21°17'47"W, A DISTANCE OF 268.23 FEET TO THE POINT OF BEGINNING;

TRACT B

A TRACT OF LAND 30.00 FEET IN WIDTH LYING 15.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT POINT A HEREIN DESCRIBED, SAID POINT BEING THE POINT OF BEGINNING;
THENCE N32°15'56"E, A DISTANCE OF 75.95 FEET;
THENCE N68°46'47"E, A DISTANCE OF 93.06 FEET;
THENCE N44°52'12"E, A DISTANCE OF 56.69 FEET TO THE POINT OF TERMINUS;
FROM WHENCE THE POINT OF BEGINNING BEARS S50°27'48"W, A DISTANCE OF 216.92 FEET;

EXTENDING AND/OR SHORTENING THE SIDELINES TO COMMENCE ON THE NORTHERLY LINE OF TRACT A HEREIN DESCRIBED AND TO TERMINATE ON THE RIGHT OF WAY LINE OF FUTURE WINDING TRAIL ROAD.

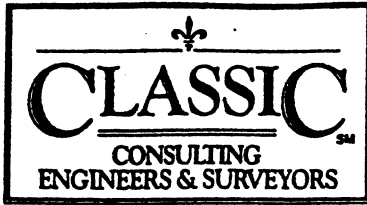
LEGAL DESCRIPTION STATEMENT:

I, DOUGLAS P. REINELT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF.

[Signature]
DOUGLAS P. REINELT, REGISTERED PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 00148
FOR AND ON BEHALF OF CLASSIC CONSULTING,
ENGINEERS AND SURVEYORS

FEB 13, 2001
DATE

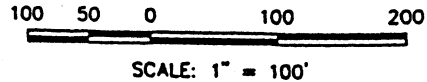
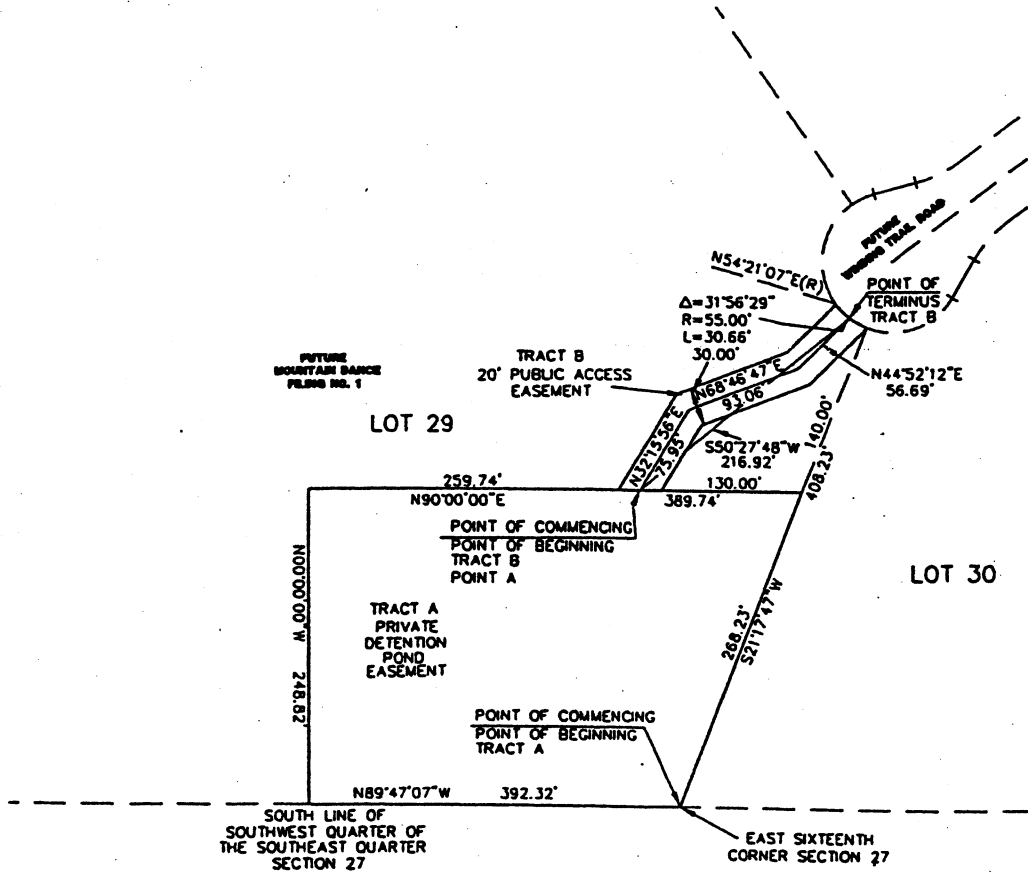
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Reo \$425.00 82 of 85



6385 Corporate Drive (719)785-3235
 Colorado Springs, Colorado 80919 (719)457-1442 (Fax)

POND AND ACCESS EASEMENT
 HIGH FOREST RANCH
 FILING NO. 1
 JOB NO. 9260.00-01
 SHEET 2 OF 2
 JANUARY 8, 2001

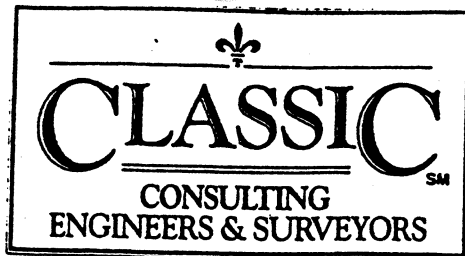
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CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY. NONCLASE

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JOB NO. 9260.20 - 04
OCTOBER 5, 2000
REVISED FEB 7, 2001
REVISED FEB. 15, 2001
PAGE 1 OF 2

LEGAL DESCRIPTION: 50 FOOT PUBLIC ACCESS AND DRAINAGE EASEMENT

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPLE MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS:

THE NORTH LINE OF SECTION 26, TOWNSHIP 11 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN BEING MONUMENTED AT THE WEST END BY A 3" BRASS CAP AT THE NORTHWEST CORNER OF SAID SECTION 26 AND AT THE EAST END BY 3" BRASS CAP AT NORTHEAST CORNER OF SAID SECTION 26 ASSUMED TO BEAR N89°14'53"E, A DISTANCE OF 5354.37 FEET.

A STRIP OF LAND LYING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

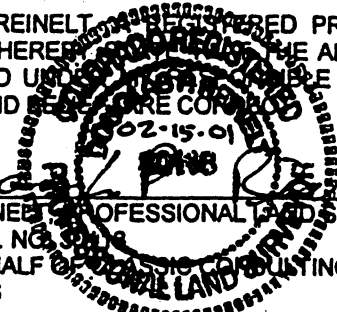
COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 26; THENCE N89°56'11"W, ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 26, A DISTANCE OF 3.58 FEET; THENCE N30°00'00"W, A DISTANCE OF 120.90 FEET; THENCE N11°00'00"E, A DISTANCE OF 160.00 FEET; THENCE N46°14'33"W, A DISTANCE OF 25.00 FEET TO A POINT ON CURVE SAID POINT BEING THE POINT OF BEGINNING; THENCE ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S46°14'33"E, HAVING A DELTA OF 32°22'21", A RADIUS OF 125.00 FEET, A DISTANCE OF 70.63 FEET TO A POINT OF TANGENT; THENCE N76°07'48"E A DISTANCE OF 198.94 FEET TO A POINT OF CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 103°26'45", A RADIUS OF 100.00 FEET A DISTANCE OF 180.55 FEET TO A POINT OF TANGENT; THENCE N27°18'57"W A DISTANCE OF 114.10 FEET; THENCE N05°33'43"E A DISTANCE OF 17.46 FEET TO THE POINT OF TERMINUS, SAID POINT BEING ON THE SOUTHERLY RIGHT-OF-WAY OF FUTURE HIGH FOREST ROAD AS SHOWN ON THE PLAT OF HIGH FOREST RANCH FILING NO. 1, TO BE RECORDED, FROM WHENCE, THE POINT OF COMMENCING BEARS S19°07'16"W A DISTANCE OF 659.78 FEET;

EXTENDING AND OR SHORTENING THE SIDELINES TO COMMENCE ON THE BOUNDARY OF THE PRIVATE DETENTION POND EASEMENT, ON TRACT D AS SHOWN ON THE PLAT OF HIGH FOREST RANCH FILING NO. 1 AND TERMINATE ON THE SOUTHERLY RIGHT-OF-WAY LINE OF FUTURE HIGH FOREST ROAD.

LEGAL DESCRIPTION STATEMENT:

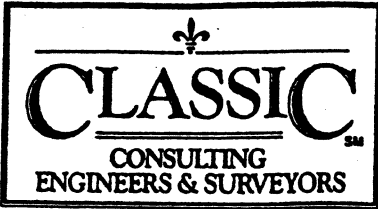
I, DOUGLAS P. REINELT, REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED UNDER MY SUPERVISION AND UNDER MY PERSONAL SUPERVISION AND ON THE BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF.

DOUGLAS P. REINELT, REGISTERED PROFESSIONAL LAND SURVEYOR
COLORADO P.L.S. NO. 3018
FOR AND ON BEHALF OF CLASSIC CONSULTING ENGINEERS
AND SURVEYORS



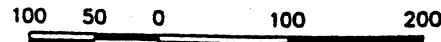
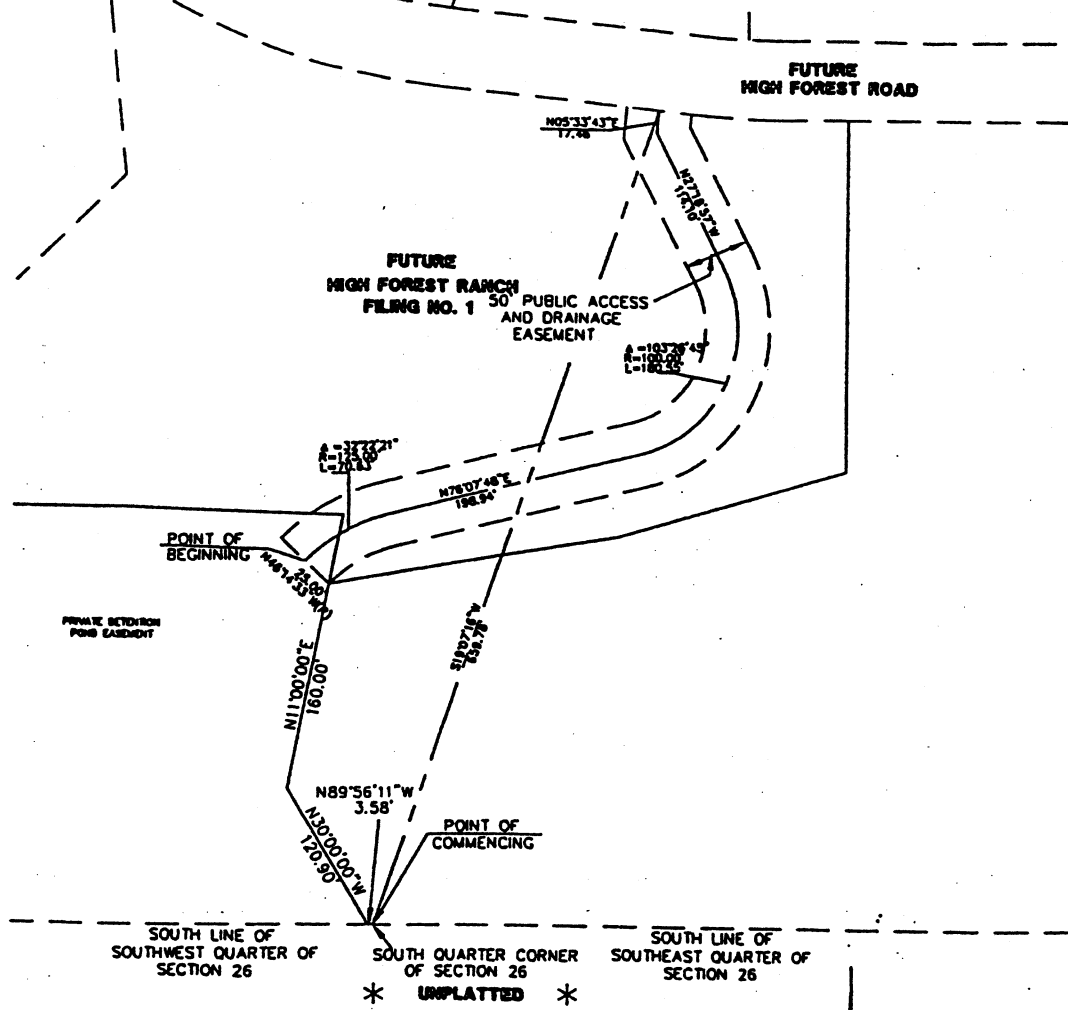
FEB 15, 2001
DATE

J. Patrick Kelly El Paso Cty, CO
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6385 Corporate Drive, Suite 304 (719)785-0790
Colorado Springs, Colorado 80919 (719)785-0799 (Fax)

HIGH FOREST RANCH FILING NO. 1
9260.00-04
SHEET 2 OF 2
JOB NO. OCT 5, 2000
REV. FEB 7, 2001
REV FEB 15, 2001



SCALE: 1" = 100'

CCES, LLC DOES NOT EXPRESS NOR IMPLY ANY WARRANTY WITH THE ABOVE WRITTEN LEGAL DESCRIPTION AND EXHIBIT. THE LEGAL DESCRIPTION WAS WRITTEN FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT DEPICT A MONUMENTED LAND SURVEY. ACCESS

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