

J. Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 1 of 15

DECLARATION OF PROTECTIVE COVENANTS
FOR
SUNSET MESA SUBDIVISION FILING NO. 19
IN THE CITY OF COLORADO SPRINGS
EL PASO COUNTY, COLORADO

THIS DECLARATION OF PROTECTIVE COVENANTS (this "Declaration") is made this 13 day of March, 2000, by Development Management, Inc., a Colorado corporation (called "Declarant" in this Declaration).

R E C I T A L S

A. Declarant is the owner in fee simple of residential property (the "Property") in the City of Colorado Springs, described as follows:

Lots 1 and 2 in Sunset Mesa Subdivision Filing No. 19, in the City of Colorado Springs, County of El Paso and State of Colorado.

B. Declarant desires to place protective covenants, conditions, easements and restrictions on the Property in order to establish, protect and maintain the quality residential environment, character, values and amenities of the Property.

Declarant, for itself and its grantees, successors and assigns, does hereby impose and establish upon the Property, and all of the Property shall hereafter be subject to, all of the following restrictions, covenants, easements and conditions (collectively referred to as the "Protective Covenants"), all of which shall be deemed to run with the land and shall inure to the benefit of and be binding upon Declarant, its grantees, successors and assigns, and all parties having or acquiring any right, title or interest in or to the Property or any part thereof.

1. Land Use, Building Type and Occupancy. All of the Property shall be used for single-family residential purposes only. No more than one dwelling shall be permitted on any lot within the Property as originally platted (a "Lot"). No

business, professional or commercial enterprise, whether profit or nonprofit, shall be carried on, conducted or maintained upon, in front of, or in connection with any of the Property. No buildings shall be erected within the Property except single-family dwellings, each of which shall include no less than a two-car garage.

2. Continuity of Construction. Construction of all structures commenced on the Property shall proceed diligently to completion and shall be completed within nine months of commencement of construction. The time for completion shall be extended by any reasonable delay resulting from labor unrest, strikes, fire, national emergency or natural calamity. Failure to proceed diligently with construction or to complete within the time permitted shall be deemed a breach of these Protective Covenants.

3. Temporary Structures. No structure of a temporary character, garage, barn, excavation, basement, trailer, tent or other out-building will be permitted on any Lot, except as may be determined to be necessary during construction and specifically authorized by the Architectural Control Committee (described in section 4 below) prior to installation.

4. Architectural Control Committee. To carry out the administration and enforcement of the provisions of these Protective Covenants, there is hereby formed an Architectural Control Committee (the "ACC"). Declarant shall act as the ACC until it has sold all of the Lots within the Property, or until such earlier time as Declarant elects to appoint a committee to serve as the ACC and assigns the right to act as the ACC to such committee. To create such a committee to act as the ACC, Declarant shall appoint three persons, all of whom shall either be an owner of a Lot or a representative of Declarant, to act as the ACC. The ACC shall exercise the functions assigned to it by this Declaration, including reviewing and approving all plans for improvements as provided in this Declaration. The ACC shall meet as required to consider and approve or disapprove any proposed

change, addition or deletion of these Protective Covenants. The majority of the ACC may designate a representative to act for it. Any member of the ACC may resign at any time. In the event of the death, incapacity or resignation of any member of the ACC after the appointment of a committee by Declarant, the remaining members shall have full authority to appoint a successor. The ACC at its discretion will set a plan review fee to be paid at the time building plans are submitted to the ACC by the person submitting the plans. Neither the members of the ACC, nor its designated representatives, shall be entitled to any compensation for services performed pursuant to this Declaration. However, Declarant or the ACC may hire and pay a manager, an architect, a designer or any other agent to assist it in the review of plans and the enforcement of this Declaration and may pay attorneys' fees in connection with the interpretation, administration and enforcement of this Declaration.

5. Architectural Control. No building, structure, fence, landscaping, wall, or any other object or improvement, (all of which are referred to individually as an "Improvement" or collectively as "Improvements") shall be commenced, erected, placed, or altered on any Lot until the construction plans and specifications and a plan showing the location of the Improvement and the topography of the Lot have been submitted to and approved by the ACC in accordance with section 6 below. In reviewing plans and specifications, the ACC shall consider the following specific requirements, which shall be applicable to Improvements constructed or installed on all Lots within the Property:

5.1 Floor Area. Excluding basements, porches, patios, covered but unenclosed areas and garages, a single-story dwelling shall contain not less than 1,600 square feet on the main level, and multi-story dwellings shall have not less than 2,200 square feet of living area. However, the ACC shall have the authority to waive these floor area requirements, in its sole discretion.

5.2 Building Setbacks. Building setbacks must comply with requirements of the City of Colorado Springs (the "City") for front, rear, and side lot lines, as of the date of commencement of construction.

5.3 Materials and Colors. All exterior materials for roofing, siding, windows, doors, screens, and other items visible from the exterior of the dwelling, except for DBS Antennae, MMDS Antennae and TVBS Antennae, must be approved by the ACC, prior to installation, as to quality of workmanship and materials, harmony of external design with the surrounding area and existing structures and general compatibility with the environment of the Property and nearby Sunset Mesa subdivisions.

5.4 Exterior Lighting. Exterior lighting that is subdued and whose light source is not directly visible from adjacent dwellings will be permitted for illuminating entrances, decks, driveways and parking areas and other purposes approved by the ACC. All exterior lights are subject to the prior approval of the ACC.

5.5 Landscaping. No trees, shrubs or other natural landscaping shall be removed or changed without the express consent of the ACC, which consent shall not be unreasonably withheld when such landscaping would interfere with the construction of a single-family dwelling approved by the ACC, or would interfere with driveways, sidewalks, site requirements or with requirements of the City. Landscaping on each Lot shall be completed in accordance with the plans submitted to the ACC as described in section 6 below, within three months after substantial completion of the single-family dwelling on the Lot. It is the policy of the ACC to limit the use of gravel, rock or paving as part of the landscaping on each Lot.

5.6 Changes or Alterations. No changes or alterations to an improved single-family dwelling, structure, landscaping plan or any other previously approved

Improvement shall be made until the proposed changes or alterations have been submitted to and approved by the ACC as provided in section 6 below.

5.7 Height Restrictions. The highest point of any building or structure located on any Lot shall be subject to approval by ACC.

5.8 Variances. The ACC may (by two-thirds vote after a committee has been appointed by Declarant), in its sole discretion, allow reasonable variances from the specific requirements of this Declaration. The ACC may consider topography, location of trees, configuration of the Lot, area aesthetic considerations, view, hardship or other circumstances, not limited to the foregoing types, in making its decision to allow or disallow a variance.

5.9 Fences. Fences are discouraged and will only be permitted if previously approved by the ACC, provided that no solid wood, brick or stone fencing will be allowed along the rear lot line any lots that are adjacent to public open space. The ACC shall review fence requests on an individual basis and its approval or disapproval of such requests shall be within its sole discretion.

6. Procedure. Any party desiring to build, erect or install any Improvement, or to alter or change any previously approved or existing Improvement, except for DBS Antennae, MMDS Antennae and TVBS Antennae, on any Lot or other portion of the Property, whether an owner of a Lot or a builder (hereinafter referred to as "Builder"), shall submit two sets of plans and specifications to the ACC showing the nature, kind, shape, height, materials, floor plans, location, exterior elevations and color scheme for the Improvement by providing paint chips, alterations, grading, drainage, landscaping plans, mailbox design, a cross section showing the height and locations of all structures, the square footage of a dwelling unit by story, and an indication of the amount of square feet within any building that shall be finished and the amount that shall be unfinished.

-5-

J. Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 5 of 15

In addition, Builder shall submit to the ACC an itemized breakdown of all costs of construction, certified as correct by Builder. Incomplete submittals shall be returned without review. In addition, Builder shall indicate an address to which approval or disapproval may be mailed. All the named items shall be submitted at least 20 days prior to commencement of construction. All plans for new construction of Improvements must be accompanied by an initial fee of \$375.00 for review of plans. Any and each change to the plans originally submitted that necessitates further review by the ACC will require payment of an additional fee at the discretion of the ACC. The initial review fee may be changed from time to time at the discretion of the ACC.

The ACC shall have 14 days in which to indicate its approval or disapproval to the Builder at the address provided to the ACC. In approving or disapproving plans and specifications, the ACC shall have the right to take into consideration, among other things, the specific requirements and provisions of these Protective Covenants; the use and suitability of the proposed building or other Improvement; the materials with which the Improvement is to be built; the quality of workmanship; the topography, size and shape of the Lot upon which the Improvement will be erected; the harmony of the external appearance of the Improvement with its surroundings; and the degree, if any, to which the proposed Improvement will result in interference with views or cause intrusions of sound, light or other effect on neighboring sites beyond those to be reasonably expected in a quality residential area from considerate neighbors. In the event the ACC fails to give such written notice of approval or disapproval within 14 days after receipt of the items described above, approval shall be deemed granted and specific written approval will not be required. If the ACC gives written notice, it shall do so by indicating its action in a letter accompanying the return of one set of the plans and specifications submitted by Builder. The other set shall be retained by the ACC, along

-6-

J Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 6 of 15

with a record of its action on the plans and specifications, for a period of one year from the date of submittal or completion of construction. Thereafter, the ACC may destroy such plans, specifications and records without any liability being imposed on it thereby.

During the time that Declarant acts as the ACC, all requests for approval, together with required plans and other information, shall be sent to Declarant at 4065 North Sinton Road, Suite 200, Colorado Springs, Colorado 80907, unless Declarant designates a different address. After Declarant has appointed a committee to act as the ACC, all requests for approvals and related information shall be submitted to the address designated by the ACC by instrument recorded in the real property records of El Paso County, Colorado or other reasonable means of notification.

7. No Liability. Neither the Declarant nor the ACC, nor any member or agent thereof, shall be liable in damages to any person or entity submitting plans for approval or requesting a variance, nor to any owner of a Lot or any other portion of the Property, by reason of mistake in judgment, negligence, nonfeasance or any act or omission in connection with the approval, disapproval, or failure to approve or disapprove any plans, specifications or variance. Approval by the ACC 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 Builder to comply with all codes, ordinances and regulations. Any Builder submitting or causing to be submitted any plans and specifications to the ACC agrees and covenants that he will not bring any action or suit to recover damages against Declarant, the ACC or its members, individually or collectively, or their advisers, employees or agents.

8. Easements and Utility Right of Way. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plats of the Property. No

-7-

J. Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 7 of 15

structures, planting or other materials shall be placed or permitted to remain on or in the easements which may damage or interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements. The easements are on each Lot, and all improvements on or in the easements shall be maintained continuously by the owner of the pertinent Lot, except for those improvements for which a public authority or a utility company is responsible.

9. No-Build Areas. No-build areas for protection of natural features are reserved as shown on the recorded plats. No structures, planting or other materials shall be placed or permitted to remain on or in the no-build areas which may damage or interfere with the natural features of the areas. The no-build areas on pertinent Lots shall be maintained continuously by the owner of the pertinent Lot.

10. Prohibited Activities. No noxious or offensive activity shall be carried on upon any Lot, nor anything done thereon, to cause annoyance, embarrassment, discomfort, or a nuisance in the neighborhood. No offensive or hazardous activity shall be permitted on any Lot or in any dwelling unit. No annoying lights, sounds or odors shall be permitted to emanate from any dwelling unit. No ashes, trash, rubbish, garbage, grass or shrub clippings, building materials, scrap materials or other refuse containers shall be stored or accumulated so as to be visible from any neighboring properties or street. All maintenance equipment shall be stored in an enclosed structure or otherwise adequately screened so as not to be visible from neighboring properties or adjoining streets. No outdoor clotheslines or poles or other drying facilities will be placed so as to be visible from neighboring properties or adjacent streets. No service yards, wood piles or storage areas shall be so located as to be visible from neighboring properties or adjacent streets. All Lots and yards are to be kept free of weeds and harmful insects. No stripped down, partially wrecked,

or junk motor vehicles may be stored on any Lot or elsewhere on the Property, except in an enclosed structure which has been approved by the ACC. No maintenance, servicing, repair, dismantling, or repainting of any vehicle, boat, machine or device may be carried on except in an approved, completed enclosed structure.

11. Signs. No signs, billboards, poster boards or advertising structures of any kind shall be erected or maintained on any Lot or Improvement for any purpose whatsoever except for one sign of not more than five square feet advertising the pertinent Lot for sale or rent, or one sign for identification of a residence of not more than one square foot. No signs will be permitted within or in view of the area maintained by the Nor'wood Special Improvement District, without prior approval by the District's Advisory Board.

12. Vehicles. No boat, trailer, camper, tractor, commercial vehicle, mobile home, motor home, motorcycle or utility trailer or other tow trailer may be kept on any Lot or elsewhere on the Property unless enclosed in the structure which has been approved by the ACC. None of these vehicles are to be parked in the street, on driveways or where visible to the surrounding properties or adjacent streets.

13. Livestock and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept upon any Lot, except that dogs, cats or other household pets may be kept in reasonable number, provided that they are for personal enjoyment and not for commercial purposes.

14. Towers, Dishes and Antennae. Except as expressly set forth below in this Section 14, no towers, antennae, satellite dishes or other device for the transmission or reception for radio, television, microwave or other signals that are visible from any site across the street or from any street shall be permitted, unless screened in a manner approved by the ACC. Notwithstanding any other provision of these Protective Covenants, any DBS Antennae, MMDS Antennae or TVBS Antennae may

be erected or installed without the approval of the ACC, but each DBS Antenna, MMDS Antenna or TVBS Antenna within the Property shall be placed or screened so that it is not visible from any site across the street or from any street, unless such placement or screening impairs or interferes with reception. As used in these Protective Covenants, the terms "DBS Antenna", MMDS Antenna", and "TVBS Antenna" have the meanings set forth below:

DBS Antenna: Any antenna that is one meter or less in diameter and receives direct broadcast satellite service, including direct-to-home satellite services, and, (i) if it is located on a building, the mast of which extends 12 feet or less above the roofline of the building on which it is located, or (ii) if it is located on the ground on a Lot, the mast of which extends 12 feet or less above the roofline of the residence on the Lot.

MMDS Antenna: Any antenna that is one meter or less in diameter or diagonal measurement and receives video programming services via multi point distribution services, instructional television fixed services and local multipoint distribution services, and, (i) if it is located on a building, the mast of which extends 12 feet or less above the roofline of the building on which it is located or (ii) if it is located on the ground on a Lot, the mast of which extends 12 feet or less above the roofline of the residence on the Lot.

TVBS Antenna: Any antenna that receives television broadcast signals, and, (i) if it is located on a building, the mast of which extends 12 feet or less above the roofline of the building on which it is located or (ii) if it is located on the ground on a Lot, the mast of which extends 12 feet or less above the roofline of the residence on the Lot.

15. Soils, Grading and Maintenance. The soils within the State of Colorado consist of both expansive soils and low-density soils which will adversely affect the integrity of the Residence (defined below) if the Residence and the Lot containing it are not properly maintained. Expansive soils contain clay minerals which have the characteristic of changing volume with the addition or subtraction of moisture, thereby resulting in swelling and/or shrinking soils, and the addition of moisture to low-density soils causes a realignment of soiled grains thereby resulting in consolidation and/or collapse of the soils.

Declarant intends to sell Lots to individual purchasers, who shall construct or have constructed a single-family residence on each Lot (a "Residence"). The purchaser, or any successor thereof, of a Lot is referred to in this section 15

as an "Owner." Declarant shall require the Owner to have prepared a grading plan for the Owner's Lot or Lots in accordance with specifications of the Veterans Administration or the Federal Housing Administration, which plan shall be submitted to the ACC prior to commencement of construction of a Residence, certified and stamped by a registered engineer. Each Lot shall be graded by the Owner in accordance with the approved grading plan. No change in the approved grading plan may be made without the prior written approval of the ACC. Anyone desiring to change the grading plan shall cause to be prepared by a professional engineer, a revised grading plan which must be submitted to the ACC prior to the change of grading. The procedure for approving grading plans shall be the same as the procedure described in section 6 for approval of plans and specifications. Each Residence shall be located on a Lot in such a way as to be compatible with the approved grading plan and not interfere with drainage patterns established by the grading plan. The final drainage patterns established during grading of a Lot are the sole responsibility of the Owner and neither Declarant nor the ACC shall have any liability whatsoever for damage caused by improper grading or drainage on any Lot.

An Owner shall not permit the moisture content of the soil supporting the foundation and supporting the concrete slabs forming a part of the Residence to increase to an extent that would adversely affect the foundation and concrete slabs, and shall not introduce excessive water into the soil surrounding the Residence. An Owner shall maintain the grading and drainage patterns of the Property established according to the approved grading plan authorized by the ACC.

An Owner shall not impede or hinder in any way the water falling on his Lot from reaching the drainage courses established for the Lot and the Property.

16. Amendment. For as long as Declarant owns any Lot or other portion of the Property, any provision of these Protective Covenants may be waived, amended or terminated at any

-11-

J. Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 11 of 15

time by a written instrument referring to these Protective Covenants signed by Declarant and the then current record owners of at least 50 percent of the Lots within the Property, with all signatures notarized, and recorded with the El Paso County Clerk and Recorder. After such time as Declarant no longer owns any Lot or other portion of the Property, any provision of these Protective Covenants may be waived, amended or terminated by a written instrument referring to these Protective Covenants signed by the then record owners of at least 75 percent of all Lots within the Property, with all signatures notarized, and recorded with the El Paso County Clerk and Recorder.

17. Enforcement. These Protective Covenants are for the benefit of owners of Lots within the Property, jointly and severally, Declarant and the ACC. If any person shall violate or threaten to violate any of the provisions of these Protective Covenants, Declarant, the ACC or any owner of any of the Property, or any combination thereof, may enforce the provisions of these Protective Covenants by instituting such proceedings at law or in equity as may be appropriate to enforce the provisions of these Protective Covenants, including an action for prohibitive or mandatory injunctive relief to prevent or remedy the threatened or existing violation of these Protective Covenants, an action for damages and any and all other available remedies. In the event of any litigation to enforce these Protective Covenants, the prevailing party shall be entitled to recover all costs and attorneys' fees incurred by such party. In the event of any violations, and in addition to any other remedies available, Declarant or the ACC shall have the right of entry on the Lot owned by the party in violation, and may cure any deficiency or violation, without jeopardy of any claim of trespass, at the expense of the party in violation. Declarant or ACC may order any work necessary to cure the deficiency or violation, without being guilty of or liable for trespass, at the expense of the party in violation. Declarant or the ACC may order any work necessary to cure the deficiency or violation.

-12-

J Patrick Kelly El Paso Cty,CO
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 12 of 15

200025902

18. Penalties and Expenses of Enforcement; Liens for Nonpayment. If any person violates any of the provisions of these Protective Covenants or of the rules and regulations promulgated by the ACC pursuant to these Protective Covenants, or causes expenses to Declarant or the ACC as a result of such violations, including the expenses incurred in curing any violation or deficiency, and fails to or refuses to pay such expenses, then such expenses shall be chargeable to the owner of the Lot or other portion of the Property on which the work has been done, including interest from the date of billing to the date of payment at the highest rate permitted by law, and shall constitute a lien against the Lot, including improvements thereon, owned by the owner in violation, which lien shall be superior to all other liens or encumbrances except (a) tax and special assessment liens in favor of any assessing governmental or quasi-governmental unit and (b) all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrances and including additional advances made thereon prior to the creation of such a lien pursuant to this section 18.

To evidence such a lien, Declarant or ACC shall prepare a written notice setting forth the amount of the unpaid indebtedness, the name of the owner of record of the Lot subject to such lien, and the legal description thereof. Such notice shall be signed by Declarant or by a member of the ACC and shall be recorded in the office of the Clerk and Recorder of the County of El Paso, State of Colorado. Such lien shall attach from the date of the failure of payment of such assessment of expenses and, unless paid or otherwise satisfied, 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 deeds of trust), or in any other manner permitted by law. In the event of such foreclosure, the owner of the Lot subject to the lien being foreclosed shall be required to pay the costs and expenses of

-13-

J. Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 13 of 15

such proceedings, the costs and expenses for filing the notice for claim of lien and all attorneys' fees incurred by Declarant or the ACC. Declarant or the ACC shall have the power to bid in the amount of its lien or otherwise bid on the Lot at any foreclosure sale and shall have the right to acquire and hold, lease, mortgage or convey the Lot.

The amount of any such expense as assessed against the Lot shall also be a personal debt of the owner thereof at the time the assessment is made. Suit to recover a money judgment for any such unpaid expenses may be maintained without foreclosing or waiving the lien securing the debt, and shall include all costs and expenses thereof, including all attorneys' fees incurred to obtain such judgment.

Any mortgage holder or similar encumbrancer holding a lien on the subject Lot, may pay any unpaid expenses created hereunder with respect to the Lot, and upon such payments such encumbrancer shall have a lien on the Lot for the amounts paid, the lien to be of the same priority as the lien of his respective encumbrance.

19. Effect and Duration of Covenants. The conditions, restrictions, stipulations, agreements and covenants contained in this Declaration shall be for the benefit of and be binding upon each Lot described in this Declaration and each owner of a Lot or other portion of the Property, their respective successors, representatives and assigns, and shall continue in full force and effect for a period of 25 years from the date this Declaration was recorded in the real property records of El Paso County, Colorado, and, thereafter, shall be automatically extended for five successive periods of ten years each, unless these Protective Covenants are terminated effective at the end of the original 25-year term or any 10-year extended term by an instrument referring to this Declaration signed by the then record owners of at least two-thirds of all the Lots within the Property, with all signatures notarized, is recorded with the El Paso County Clerk and Recorder.

-14-

J. Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Rec \$75.00 14 of 15

20. No Waiver. Failure to insist upon the enforcement of any one or more of the provisions contained in this Declaration shall not constitute a waiver of that provision or of any of the remaining provisions. The express granting of a waiver by Declarant or the ACC shall be applicable only to the specific matter waived, and shall not be deemed a waiver of any provision or requirement of this Declaration.

21. Severability. Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

Attest: DEVELOPMENT MANAGEMENT, INC.,
a Colorado corporation

By [Signature] Stephen D. Hart, Secretary By [Signature] Kent A. Petre, President

[CORPORATE SEAL]

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

The foregoing instrument was acknowledged before me this 13 day of March, 2000 by Kent A. Petre as President and by Stephen D. Hart as Secretary of Development Management, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 9/10/2002

(SEAL)



[Signature]
Notary Public

J. Patrick Kelly El Paso Cty, CO 200025902
03/13/2000 02:17
Doc \$0.00 Page
Fee \$75.00 15 of 15