

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
WOODBRIIDGE TOWNHOMES**

THIS DECLARATION, made and entered as of this 19th day of June, 1981, by R & S CONSTRUCTION, LTD., A Colorado corporation, hereinafter called "Declarant".

WITNESSETH:

WHEREAS, Gates Land Company (hereinafter called "Gates") owns the real property described herein as the Property and the Expansion Property, and

WHEREAS, Declarant has an option to purchase the Property from Gates and desires to submit the Property to the provisions of this Declaration, and

WHEREAS, Gates is willing to join in the submission of the Property to the provisions of this Declaration and is also willing to revoke and terminate the prior covenants upon the Property which are recorded in Book 3442 at page 38 of the real property records of the Clerk and Recorder of El Paso County, Colorado, and

WHEREAS, American Federal Savings and Loan Association holds a first Deed of Trust upon the property and is willing to subordinate its interest thereunder to this Declaration.

NOW, THEREFORE, the Declarant hereby declares that all of the Property, as hereinafter described, shall be held, sold, used, improved, occupied, owned, resided upon, hypothecated, encumbered, liened, and conveyed subject to the following easements, restrictions, covenants, provisions and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and all of which shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors, and assigns and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Woodbridge Townhome Owners Association, Inc., a Colorado non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" shall mean and refer to that certain real property described on Exhibit "A" hereto, together with all appurtenances thereto and all improvements now or hereafter thereon, and shall include any real property which is hereafter annexed to the project pursuant to Article X thereof.

Section 4. “Expansion Property” shall mean and refer to that certain real property, which is described on Exhibit “B” attached hereto and incorporated herein by this reference, and which may be annexed to the project pursuant to Article X hereof, together with all appurtenances thereto and all improvements now or hereafter thereon.

Section 5. “Common Area” shall mean and refer to all of the Property, except for the Lots and shall include any Common Area located upon any real property which is hereafter annexed to the project pursuant to Article X hereof.

Section 6. “Lot” shall mean and refer to any of Lots 1 through 20 inclusive, Woodbridge Filing No. 1, City of Colorado Springs, El Paso County, Colorado, together with all appurtenances thereto and improvements now or hereafter thereon, and shall include any Lot located upon any real property which is hereafter annexed to the project pursuant to Article X hereof.

Section 7. “Declarant” shall mean and refer to R & S Construction, Ltd., a Colorado corporation. Its agents, employees, contractors, successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. “Member” shall mean and refer to every person or entity who holds membership in the Association.

Section 9. “Mortgage” shall mean any mortgage, deed of trust or other document pledging a Lot or an interest therein as security for payment of a debt or an executory land sales contract wherein the Administrator of Veterans Administration or its assigns, and whether such contract is recorded or not; or any other recorded document pledging a Lot as security for the payment of a debt or obligation.

Section 10. “First Mortgage” shall mean a Mortgage upon a Lot having priority of record over all other recorded encumbrances and liens thereon, except those governmental liens made superior by statute.

Section 11. “Mortgagee” shall mean any person, corporation, partnership, trust, company, association or other legal entity which takes, owns, holds or receives a Mortgage.

Section 12. “Architectural Control Committee: shall mean the committee of three or more persons appointed by the Declarant or the Association to review and approve the plans for all improvements constructed on the Property.

Section 13. “Townhome” shall mean the residential dwelling improvement constructed and located upon a Lot and shall include any Townhome located upon any real property which is hereafter annexed to the project pursuant to Article X hereof.

Section 14. “Gates” shall mean Gates Land Company, a Colorado corporation, its successors and assigns.

Section 15. “Option” shall mean and refer to the Option Agreement dated January 19, 1981, between Declarant and Gates, as now existing or as hereafter modified.

ARTICLE II

PROPERTY RIGHTS IN THE COMMON AREA

Section 1. Title to the Common Area. The Common Area shall be owned by all of the Owners as tenants in common: each Owner of a Lot shall have an appurtenant, pro-rata, undivided one-twentieth (1/20th) interest in the Common Area subject to the following:

- (a) Declarant hereby reserves the right to grant easements for utilities as provided by Section 5 of this Article and easements for other purposes, which do not unreasonably interfere with the Owners' use of the Common Area, over, under, across and through the Common Area and further reserves the right to use the Common Area for construction, sales and development activities and for ingress-egress to the Expansion Property, provided however, the Declarant, shall restore the Common Area to a condition as good or better than existed prior to such use, and
- (b) The individual interest of any Owner may be adjusted in the event the Expansion Property is annexed as provided in Article X hereof. By acceptance of a deed or other conveyance or by taking a deed of trust, mortgage or other encumbrance, each and every Owner and Mortgagee agrees to be bound by the provisions of this Declaration and grants an irrevocable power of attorney to Declarant to accomplish the purposes set forth in subparagraph (a) and (b) of this section, and
- (c) The provisions of this Declaration, including without limitation Section 4 of this Article, shall also be restriction on such ownership interest.
- (d) Gates has certain reserved rights regarding the Common Area as more Specifically provided in Article v, Section 6 (a) (1) hereof.

Whether or not so expressed in any conveyance or other instrument affecting title to a Lot, the undivided interest in the Common Area, together with the rights and easements herein granted, shall pass automatically with title to or interest in the Lot subject to the reservations and restrictions herein contained.

Section 2. Non-Division of Common Area. The undivided interest in the Common Area shall be inseparable from the Lot and shall be conveyed, leased, devised, sold, transferred or encumbered only as an appurtenance of the Lot. The Common Area shall remain undivided and shall not be subject to partition. By the acceptance of his deed or other instrument of conveyance or assignment, each Owner specifically waives his right to institute and/or maintain a partition action or any other action designed to cause a division of the Common Area. Each Owner specifically agrees not to institute any action therefore. Further, each Owner agrees that this Section 1 may be pleaded as a bar to the maintenance of such an action. A violation of this provision shall entitle the Association to personally collect, jointly and severally, from the parties violating the same, the actual attorney fees, costs and other damages the Association incurs in connection therewith. It is agreed by all Owners that the foregoing restrictions are necessary to preserve the rights of all Owners regarding the operation and management of the Common Area.

Section 3. Owners' Common Area Easement of Enjoyment. Subject to the limitations and restrictions of this Declaration, every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot without the necessity of additional reference.

Section 4. Extent of Owners' Common Area Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to promulgate and publish rules and regulations which each Owner, his family members, guests, tenants and contractors shall strictly comply with, including but not limited to, the right of the Association establish reasonable charges for the use of all or a portion of the Common Area if deemed necessary; and

(b) The right of the Association as provided in its Articles and By-laws, to promulgate and suspend the voting rights and the right to the use of recreation facilities within the Common Area of an Owner for any period during which any assessment against his Lot remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of its published rules and regulations; and

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

(d) The right of the Owners to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members and subject to such conditions as may be imposed by the public entity, for example the streets are private and have not been built to City or County specifications and so might not be accepted by them. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance; provided however, the granting of easements by the Declarant for public utilities or for other purposes consistent with the intended use of such Common Area shall not be subject to the foregoing provision:

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

(g) No Owner shall place any structure whatsoever upon the Common Area, nor shall any Owner engage in any activity which will temporarily or permanently deny free access to any part of the Common Area to all Members.

(h) No use shall ever be made of the Common Area which will deny ingress or egress to those Owners having access to Lots only over Common Area and the right of ingress and egress to said Lots by vehicle and otherwise is hereby expressly granted.

(i) Except in the individual patio or deck area appurtenant to a Lot, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Property except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Architectural Control Committee. Except for the right of ingress and egress, and other rights set forth in this Declaration, the Owners are hereby

prohibited and restricted from using any of the Property outside the exterior building lines and the patio areas of their Lots, except as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is necessary for the protection and mutual benefit of all Owners.

Section 5. Other Easements.

(a) Utility Easements. Declarant reserves the right to create, grant and transfer non-exclusive easements in, under, over, across, through, and upon the Common Area, any Lot and/or the roofs or walls of any Townhome for the purpose of installing, maintaining, repairing and replacing any utilities or related services, including but not limited to any gas, electric, water or sewer line, mains or laterals, any telephone and cable television lines, any heating or cooling installations, any master television antenna system and any other necessary and related facilities. The foregoing easements shall include the right of ingress and egress and the right to erect and maintain the necessary pipes, wires, poles and other equipment. Should any person or party furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant shall have the right grant such easement on the Property without conflicting with the terms hereof. The foregoing easements shall not affect any other recorded easements on the Property, including but not limited to any easements granted in the recorded subdivision map. The right reserved herein for Declarant shall pass to the Association upon Declarant's sale of the last Lot owned by or under option to it in the Property and the Expansion Property.

(b) Association Easement. An easement is hereby granted to the Association, its officers, agents, employees and assigns upon, across, over, in and under the Common Area and any Lot as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration or otherwise, including without limitation any maintenance required or permitted hereunder.

(c) Air conditioning Equipment. An easement is hereby granted to any Owner whose air conditioning condensers, and apparatus related thereto are, at the time this Declaration is recorded, located upon the Common Area or another Lot; the Declarant reserves the right to grant easements in the future for such equipment, and this right shall pass to the Association upon Declarant's sale of the last Lot owned by or under option to it in the Property or Expansion Property.

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

(e) Common Wall Easement. Each Owner, his agents and contractors, are granted a non-exclusive easement for the purpose of maintenance, construction, reconstruction and repair, in, over, under and upon adjacent Lots and in and upon adjacent Townhome for purposes of common wall repair or maintenance, in accordance with Section 5 of Article V, upon reasonable notice to the Owners thereof. Any damage occasioned to the adjacent Lot or improvements, including the dwelling unit, thereon in exercising said easement shall be the responsibility of the Owner whose negligent or willful acts or omissions cause such damage.

(e) Exterior Wall Easement. Each Owner, his agents and contractors are granted a non-exclusive easement in, over, under and upon the adjacent Common Area for the purpose of maintenance, construction, reconstruction and repair of any exterior wall on such Owner's Lot, provided, however, that such Owner shall be liable for any damage to the Common Area, which shall be restored to its condition prior to such work.

(f) Easement for Encroachments. If any portion of an improvement located upon a Lot encroaches upon the Common Area or upon any adjoining Lot, a valid easement for the existence and the maintenance of such encroachment, so long as it stands, shall and does exist.

(g) Easement for Foundations. Owners of adjoining Lots shall have mutual easements of support for the foundations on which adjacent walls of their improvements rest.

(h) Easement for Ingress and Egress. Each Owner, his agents and guests are hereby granted a non-exclusive easement over the Common Area for the purpose of vehicular and pedestrian ingress to and egress from such Owner's Lot. Each Owner is hereby granted an exclusive easement for the use of the driveway and sidewalk serving his Lot, unless such driveway or sidewalk is necessarily shared in common by another Owner. Declarant shall have the right to relocate any portion of any private street or roadway upon the Property, but only if it provides all Owners with reasonable access to their Lots. Declarant may also dedicate any portion of any private street or roadway upon the Property as a public right-of-way, in which case, if accepted by a public entity, the Association's obligations for repair and maintenance of the road shall cease. The Declarant hereby retains and reserves an easement over, across, under and through any private street or roadway upon the Property to provide ingress, egress and utility service to all or any part of the Expansion Property.

Section 6. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, his guests, or contract purchasers who reside on his Lot. Each Owner shall, to the extent permitted by law, be liable for any damage done to the Common Area by his family, tenants, guests, or contract purchasers and for any breach of the Association's rules and regulations by such persons.

Section 7. Golf Course. Ownership of a Lot or interest therein does not carry any right of access to or use of the golf course of The Country Club of Colorado.

Section 8. Non-Dedication of Common Area. Declarant, in recording this Declaration has designated certain areas of land as Common Area intended for the common use and enjoyment of Owners for recreation and other related activities. The Common Area is not dedicated hereby for use by the general public but is dedicated to the common use and enjoyment of the Owners, as more fully provided in this Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The following shall be members of the Association:
(a) Every Owner of a Lot which is subject to assessment hereunder. Membership shall be

appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for membership. In the event that additional property is annexed as permitted in Article X, the membership shall automatically be expanded thereby. (b) The Declarant.

Section 2. Classes of Membership. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and each membership shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot which it owns or has an option to purchase from Gates. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) on March 1, 1988; or

(b) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided however, if additional properties are annexed, the Declarant's Class B membership shall revive upon each such annexation and continue until the total votes outstanding in the Class A membership for the entire project, including the annexed properties, equal the total votes outstanding in the Class B membership for the entire project, including the annexed properties.

Section 3. Non-Liability of Association and Others. The Declarant and the Association and the officers, directors, members, including without limitation members of the Architectural Control Committee, and agents of each of them shall not be liable in damages or otherwise to any person whatsoever for any act or omission, unless the act or omission is in bad faith and amounts to fraud.

ARTICLE IV

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner, for each Lot owned within the Property, by acceptance of a deed therefore 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: (1) annual assessments or charges, and (2) special assessments; such as assessments shall be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, expenses, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. The lien may be enforced by foreclosure as provided in Section 10 of this Article. The Board of Directors of the Managing Agent may prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. Such a notice shall be signed by one of the Board of Directors or by the Managing Agent and may be recorded in the office of the Clerk and Recorder of the County of

El Paso, Colorado. The lien for each unpaid assessment attaches to the Lot at the beginning of each assessment period and shall continue to be a lien against the Lot until paid. The costs and expenses for filing any notice of lien shall be added to the assessment for which it is filed and collected as part and parcel thereof. Each assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due and his successors in title except for a First Mortgagee or a purchaser at a foreclosure sale.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and for the improvement and maintenance of the Common Area and the Lots as more specifically provided herein.

Section 3. Annual Assessments. The annual assessment shall specifically include, but shall not be limited to the following common expenses:

- (a) expenses of management;
- (b) taxes and special assessments;
- (c) premiums for all insurance which the Association is required or permitted to maintain;
- (d) common lighting, water and other utility and sewer service charges;
- (e) landscaping and care of the grounds;
- (f) repairs and maintenance of improvements located on Common Area and repairs and maintenance as provided by Article V;
- (g) wages for Association employees;
- (h) legal and accounting fees;
- (i) trash and snow removal from streets, driveways and sidewalks, except for the sidewalks from the Townhome to the driveways;
- (j) any deficit remaining from a previous assessment year;
- (k) a working capital fund;
- (l) the creation of reasonable contingency reserves, surpluses and sinking funds, and
- (m) any other costs, expenses, and fees which may be incurred or may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

The Association shall also have authority, to the extent it deems proper, to provide services commonly needed by the Owners, including without limitation security and other services of

general benefit to the Owners. The Association may enter into cooperative arrangements for provision of services with other homeowner associations in the surrounding area and may assume responsibility for that part of the cost fairly attributable to this project.

Section 4. Limit on Annual Assessments. Annual assessments against any Lot and its Owner shall not exceed five percent of the actual value of the Lot, the improvements thereon and the undivided interest in the Common Area appurtenant thereto, as last determined by the county assessor for the purpose of fixing the assessed value of the Lot, improvements and undivided interest. This limitation may be changed by vote as provided in Section 6 of this Article.

Section 5. Special Assessments. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of an emergency situation or of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto.

Section 6. Procedure for Assessment under Sections 4 and 5. Any assessment under Section 5 or requiring a vote of the Members under Section 4 of this Article shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for that purpose. Written notice of any meeting called for the purpose of taking such action shall be sent to all Members not less than 30 days or more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots sufficient to meet the expected needs of the Association, provided however, that no Lot which is owned by the Declarant or by Gates shall be subject to assessment.

Section 8. Payment of Annual Assessments. No later than July 15th of each year, the Board of Directors of the Association shall set the total annual assessment based upon advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during the following assessment year. That annual assessment shall be payable in monthly installments on the first day of each successive month, unless the Board otherwise directs. The Association shall cause to be prepared, delivered or mailed to each Owner, at least thirty (30) days in advance of each annual assessment period, a payment statement setting forth the annual assessment. The annual assessments provided for herein shall commence, as to a particular Lot, upon the conveyance of that Lot from the Declarant to the first Owner, other than a purchaser of all of the Lots. If the date of that conveyance is other than the first day of the month, the assessment shall be prorated.

Section 9. Certificate of Payment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of the assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 10. Effect of Nonpayment of Assessments – Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Any assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorney's fee to be fixed by the court, together with the costs of the action. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association, acting on behalf of the Lot Owners shall have the power to bid at foreclosure sale and to acquire and hold, lease, mortgage and convey the same, if acquired by the Association at the foreclosure sale or by deed in lieu of foreclosure. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 11. Working Capital. The Association may require the first Owner of any Lot who purchases that Lot from Declarant to pay to the Association an amount equal to two times the amount of the estimated monthly assessment, which sum shall be held by the Association as and for working capital. Such sum shall not be refundable to such Owner but, if the Association decided that such sums are not required for working capital, shall be placed in the general revenues. Furthermore, such sum shall not relieve an Owner from making the regular payment of assessments as the same become due.

Section 12. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a First Mortgage of record. Sale or transfer of any Lot shall not affect the lien for said assessment charges except that sale or transfer of any Lot pursuant to foreclosure of any such mortgage or any such executory land sales contract, or any cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of assessment charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of executory land sales contract shall relieve any Lot from liability for any assessment charges thereafter becoming due, nor from the lien thereof, nor the personal liability of the Owner of such Lot for assessments due during the period of his ownership.

Section 13. Notice to Mortgagee of Default. Upon written request, a First Mortgagee shall be entitled to written notification from the Association of any default in the performance by the Owner of any obligation under this Declaration and/or the By-laws of the Association, which is not cured within sixty (60) days.

Section 14. Payment of Taxes or Insurance by Mortgagees. First Mortgagees of Lots shall have the right, jointly or singularly, to pay taxes or other charges or assessments which are in default and which may become a lien against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Area, and any First Mortgagees making any such payment shall be owed immediate reimbursement therefore from the Association.

Section 15. Homestead. The lien of the Association assessments shall be superior to any homestead or other exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead exemption as against said assessment lien.

Section 16. Exempt Property. The following Property subject to this Declaration shall be exempt from the assessments created herein: (a) all Property dedicated to and accepted by local public authority; and (b) the Common Area.

Section 17. Management Agreements.

- (a) Each owner of a Lot shall be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be cancelled by an affirmative vote of sixty percent (60%) of the votes of each class of the members of the Association. In no event shall such management agreement be cancelled prior to the effecting by the Association or its Board of Directors of a new management agreement, which will become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or its Board of Directors to effect a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be made with a responsible party or parties having experience adequate for the management of a project of this type. Any management agreement providing for the services of Declarant or the builder of the project may not exceed three (3) years and must provide that it can be terminated by the Association without cause and without payment of a termination fee upon ninety (90) days written notice.
- (b) Each and every management agreement made between the Association and a manager, or managing agent during the period when the Declarant or other developer controls the Association may be terminated no later than thirty (30) days after the termination of control by the Declarant or other developer of the Association. In the event the contract is not so terminated, it shall become binding upon the Association for the duration of its term. The provisions of this paragraph (b) shall be contained, verbatim, in each and every of such management contracts.

ARTICLE V

MAINTENANCE

Section 1. Association Maintenance. In addition to maintenance upon the Common Area, the Association shall provide such maintenance and repair as follows:

(a) Paint, repair, replace and care of roofs, gutters, downspouts, and exterior building surfaces, (excluding glass surfaces which shall be the Owner's responsibility). An Owner shall not paint or restrain the exterior of his Townhome without the prior written approval of the Architectural Control Committee. The Association shall paint or restrain the exterior of all Townhomes as often as necessary to keep such exterior from having a weatherbeaten or worn-down appearance but at least once every five (5) years.

(b) The repair, replacement, improvement and maintenance, to the extent located upon the Common Area, or any roadways, driveways, utility lines (to the extent not maintained by utility companies), buildings or other improvements, except air conditioning condensers and apparatus which shall be the Owner's responsibility.

(c) The repair and replacement of any of the following initially installed by the Developer: outside light fixtures (except light bulbs), sidewalks, patios, or decks (but the ordinary maintenance and cleaning of the foregoing shall be the responsibility of the Owner of the particular Lot).

(d) The landscaping and maintenance of the grass, trees and vegetation located upon the Common Area.

(e) The repair and replacement of any buildings or improvements upon the Lots insofar as the Association receives insurance proceeds or makes a special assessment to accomplish such repair or replacement.

The Association may also undertake such emergency repairs as the Board of Directors believe necessary to prevent imminent danger to life or property.

Section 2. Willful or Negligent Damage. In the event that the need for maintenance or repair described in Section 1 of this Article is caused through the willful or negligent acts or omissions of any Owner, his family, guests or invitees, the cost of such maintenance shall be added to and become part of the assessment to which the Lot of such Owner is subject. No Owner shall, in whole or in part, change the landscaping adjacent to his Lot by the addition or removal of any items thereon without the prior written approval of the Architectural Control Committee.

Section 3. Access at Reasonable Hours. For the purpose of performing the maintenance referred to in Section 1 of this Article, the Board of Directors of the Association, through its duly authorized agents or employees shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any structure situate thereon at reasonable hours on any day, and such entry shall not be deemed a trespass. In performing repairs or maintenance authorized under this Article, the Association shall not be liable for any loss, cost or damage caused by its action, except on account of its gross negligence or willful misconduct.

Section 4. Owner Maintenance. Except as provided in Section 1 of this Article, the Owner shall be responsible for all other maintenance and repairs, including without limitation maintenance of his Townhome, any fixtures, furnishings, equipment and appliances located thereon, any air conditioning condensers and apparatus, and any patio or deck. All utilities, fixtures and equipment installed within a Lot, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of such Lot shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair any easement or utility service, nor do any act nor allow any condition to exist which will adversely affect the use and enjoyment of the other Lots of the provision of utility services to such Lots.

Section 5. Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Townhomes upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence of willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provisions of this Section 5, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section 5 shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Section 5, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within 10 days after written request therefore by an Owner, the Board of Directors of the Association shall select an arbitrator for the refusing party. The parties to the arbitration shall share the costs thereof, but each party shall pay its own attorney's fees.

Section 6. Reservation of Certain Rights By Gates.

(a) In the event that the Declarant fails to exercise its rights under the option to purchase any part of the Property or any part of the Expansion Property, or otherwise defaults

or fails to perform the Option, Gates shall have the following rights:

(1) to exercise, in whole or in part, the rights and privileges permitted the Declarant pursuant to Sections 1 (a) and 5 of Article II hereof.

(2) to grant the right to use the Common Area, including its recreational amenities, to any subsequent residential purchases or purchasers from Gates of any Lots or any land, within the Expansion Property, whether or not the Expansion Property is made a part of the Association, provided however, that the use of the recreational facilities, roads and utilities located upon the Common Area shall obligate all users, who are not members of the Association, to pay an equitable portion of the maintenance and other common expenses attributable to such facilities, roads and utilities; said portion shall be reasonably determined by Gates on the basis of comparable densities of dwelling units between those owned by Association members and those owned by non-members. As a condition of using the Common Area, the proportionate share of the common expenses attributable to the Expansion Property shall be a lien against the Expansion Property, enforceable in the same manner as the lien described in Article IV thereof.

(3) to appoint the Architectural Control Committee pursuant to Article IV hereof, and

(4) to be automatically, upon such non-exercise or default, a member of the Association and have the Class B voting rights set forth in Article III hereof for each Lot owned by Gates.

(5) to assume such other rights and privileges of the Declarant under this Declaration which Gates may choose. Assumption of such rights and privileges shall be by written instrument signed by Gates and recorded in El Paso County stating the rights and privileges being assumed. Gates, and not Declarant, shall thereafter be entitled to exercise the rights and privileges so assumed. Upon Declarant's exercise in full of the Option and purchase of all of the Property and Expansion Property, Gates shall acknowledge such exercise and release in writing its rights under this subparagraph (a).

(b) In recognition of Gates' association with the Cheyenne Mountain Ranch area and the potential harm to the area from run-down or poorly maintained properties, Gates shall have the right to correct neglected exterior maintenance as provided in this Section. Until and including the year 2011, neither the Association nor any Owner shall make any substantial, material alteration to the exterior appearance of any Townhome, as originally constructed, without the prior written consent of Gates, and, until the expiration of such period, if Gates determines that the building exteriors upon any Lot or the Common Area or improvements thereon, because of improper alterations or maintenance, present a neglected, shabby or run-down appearance which materially and adversely affects neighboring property values, Gates may give the Association written notice specifying the maintenance which Gates determines is required. If within thirty (30) days after delivery of such notice, such maintenance is not undertaken and thereafter carried to completion with continuity and diligence, Gates may, but shall not be required to, perform such maintenance and shall have the right to enter any of Property and perform any acts reasonably necessary to complete such maintenance. Gates shall not be liable for any loss, costs or damages to any Owner, or to the Association, on account of its performance of such maintenance except for loss, cost or damages to any Owner, or to the Association, caused by Gate's gross negligence or willful misconduct in its performance of such

maintenance. All costs so incurred by Gates shall be certified by Gates to the Association and the Association shall reimburse Gates for such costs within thirty (30) days after delivery of such certification. If such costs have not been so reimbursed, Gates shall thereafter have the same rights as provided herein to the Association to assess the Lots and their Owners for such costs directly, including costs of collection, and the right to a lien and to foreclose the lien for failure to pay such costs. In addition, until and including the year 2011, the Gates shall have a right to enforce the covenants and terms of this Declaration. As a violation of this Declaration may not be adequately compensated for by remedies at law, Gates shall have the right to obtain from any court of competent jurisdiction a mandatory or prohibitive injunction against the Association, any Owner or tenant or any of the Property, or any of their agents, contractors or assigns, enjoining any activity which is in violation of these Covenants. The Gates shall not be required to post any bond as a condition to the granting of any such injunction, restraining order or preliminary injunction, nor shall Gate's right to such injunction be affected by any arbitration provisions in contracts executed by such owner, tenant or their agents or by any action or inaction by the Association. The rights and remedies of Gates set forth hereinabove shall be in addition to, and not in lieu of, any other rights and remedies Gates may have in the event of a violation of this Declaration; all such rights and remedies shall be cumulative, and the exercise of any one or more of such rights and remedies shall not be deemed an election precluding the exercise of any of the others. All reasonable costs incurred in any dispute or litigation involving enforcement of this Declaration (including attorney's fees) shall be awarded as additional damages to the prevailing party.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Composition of Committee. The Architectural Control Committee shall consist of three (3) persons appointed by the Board of Directors of the Association, provided however, that until all Lots upon the Property and the Expansion Property have been sold by the Declarant, Declarant shall have the right to appoint the Architectural Control Committee. A majority of the Committee may designate a representative to act for it. It shall be the duty of the Architectural Control Committee, and it shall have the power, by the exercise of its best judgment, to determine that all structures, improvements, construction, decoration and landscaping on the Property conform to and harmonize with the existing surroundings and structures. For convenience, the Architectural Control Committee shall hereinafter sometimes be referred to in this Article VI as the "Committee".

Section 2. Review by Committee. After the purchase of a Lot from the Declarant, no structure, accessory building, tennis court, swimming pool, antennae, flag pole, fence, wall, house number, mail box, exterior lighting, or other improvement shall be constructed or maintained upon any Lot and no alterations, restaining, or repainting to the exterior of a Townhome shall be made and no landscaping performed, unless complete plans, specifications, and lot plans therefore, showing the exterior design, height, square footage, building materials and color scheme thereof, the location of the structure plotted horizontally and vertically, the location and size of driveways, the general plan of landscaping, fencing, walls and windbreaks, and the grading plan shall have been submitted to and approved in writing by the Committee, and a copy of such plans and specifications as finally approved, shall be deposited with the Committee. The provisions of Sections 1, 2 and 3 of this Article shall not apply in any way or manner whatsoever to the Declarant or any Lot owned by Declarant.

Section 3. Procedures.

- (a) The Committee shall approve or disapprove all plans and requests within thirty (30) days after requests have been submitted. In the event the Committee fails to take action within thirty (30) days after plans have been received by the Committee, approval will not be required, and this Article will be deemed to have been fully complied with. A majority vote of the members of the Committee is required for approval or disapproval of proposed improvements. The Committee shall maintain written records of all applications submitted to it and of all action taken. In approving or disapproving the plans submitted to it, the Committee shall take into consideration the design, style and construction of the proposed building or alteration, its location on the Lot, the harmony of its design, architecture and location with terrain and surrounding neighborhood, including the Cheyenne Mountain project in general, and shall determine whether such proposed building is consistent with the general terrain, the architecture of other buildings located upon the properties subject to this Declaration and whether or not the construction or alteration of said building will adversely affect or decrease the value of other Lots and/or dwellings because of its design, location, height or type of material used in construction. The Committee may make reasonable requirements of the Lot Owner, including the submission of additional plans, to insure conformance of such building or alteration when erected with these restrictions and covenants and with the plans submitted and approved. All construction or alterations performed on any Lot or the Common Area will conform to the approved plans and specifications. The Committee shall be responsible for enforcing compliance of the approved plans with these covenants and restrictions.
- (b) The Committee shall have authority to grant variances from the provisions of this Declaration in cases of conditions wherein the strict enforcement of these restrictions would result in unusual hardship. The Committee shall be the sole and exclusive judge of whether or not said hardship exists.
- (c) Whenever the Committee disapproves of any proposed plans or specifications, it shall state in writing its reason for such disapproval in general terms so that the objections can be met by alterations acceptable to the Committee.
- (d) All plans submitted to the Committee shall be left on file with the Committee.
- (e) It is the intent of these Declarations that the Committee shall exercise broad discretionary powers hereunder and its decisions shall be final and conclusive except for an arbitrary abuse of its discretion or an excess of its authority.
- (f) The Committee shall resolve all questions of interpretation under this Article. They shall be interpreted in accordance with their general purpose and intent as herein expressed.

Section 4. Minor Violations of Setback Restrictions. If, upon the erection of any residence upon any of the Lots which are subject to these restrictions, it is disclosed by survey that a minor violation or infringement of setback lines has occurred, such violation or infringement shall be deemed waived by the Owners of the Lots immediately adjoining the Lot upon which the violation or infringement occurs, and such waiver shall be binding upon all other Owners who are subject to this Declaration. Nothing herein contained shall prevent the prosecution of a suit for any other violation of the restrictions contained in this Declaration. A “minor violation” for the purpose of this Section is a violation of not more than one (1) foot beyond the required setback lines or lot lines. This provision shall apply only to the original structures and shall not be applicable to any alterations or repairs to such structures.

ARTICLE VII

RESTRICTIONS

Section 1. General Plan. It is the intention of the Declarant to establish and impose a general plan for the improvement, development, and use and occupancy of the Property, all thereof in order to enhance the value, desirability, and attractiveness of the Property and serve and promote the sale thereof.

Section 2. Leases. Any lease agreements between an Owner and a lessee shall provide that the term of such lease shall be subject in all respects to the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms and provisions of such documents shall be a default under the lease. Further, all leases shall be in writing. No short-term leases (i.e. for terms less than month to month) shall be permitted and no time-sharing or other forms of interval ownership will be permitted if such are determined by the Association to result in a pattern of short-term occupancies of a Townhome by several different non-related users.

Section 3. Single Family Use. Except for the Common Area, all Lots shall be used for single-family dwelling units as defined by the applicable zoning laws, and no more than 7.15 dwelling units per acre may be located upon the real property included in the Property and Expansion Property. No business or profession of any nature shall be conducted on any Lot or in any structure constructed thereon.

Section 4. Animals. No horses, cattle, sheep, goats, pigs, rabbits, poultry or other animals of any description shall be kept or maintained on any Lot except that Owners may keep, subject to the rules of the Association, dogs, cats, fish or other domestic animals which are bonafide household pets so long as such pets are not kept for commercial purposes and do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any of the residents of adjacent property, and are kept in compliance with all existing applicable local ordinances and any rules and regulations of the Association.

Section 5. Structures. All buildings or structures erected upon the Property shall be of new construction and no buildings or structures shall be moved from other locations onto the Property, and no subsequent buildings or structures other than townhome buildings, being single family townhomes joined together by a common exterior, roof and foundation, shall be constructed. No temporary house, trailer, tent, garage or outbuilding shall be placed or erected upon any Lot, and no residence placed or erected upon any Lot shall be occupied in any manner at any time prior to its being fully completed in accordance with approved plans, nor shall any

Residence when completed be in any manner occupied until made to comply with all requirements, conditions, and restrictions herein set forth; provided, however, that the foregoing shall not apply to Declarant. The work of constructing, altering, or remodeling any structure on any part of any Lot shall be prosecuted diligently from the commencement thereof until the completion thereof.

Section 6. Miscellaneous Structures. No advertising or signs or any character shall be erected, placed, permitted or maintained on any Lot other than a name plate of the occupant and a street number; except that the Declarant shall be permitted to use larger signs such as will not unreasonably interfere with Owner's use of the Common Area until all Lots, including lots in the Expansion Property, are sold by the Declarant. All types of refrigerating, cooking or heating apparatus shall be concealed, except as installed at the time this Declaration is recorded. No garbage or trash cans or receptacles shall be maintained in an exposed and unsightly manner.

Section 7. Lots to be Maintained. Each Lot at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Lot so that same are visible from any neighboring Lot or street, except as necessary during the period of construction by Declarant. No condition shall be permitted within any Townhome, balcony, porch, patio or deck which is calculated to be visible from other Townhomes or the Common Area and which is inconsistent with the design integrity of the project; such conditions include, but are not limited to, window treatments, draperies, shades and hangings, and articles on balconies, porches, patios, decks or Common Area or visible through a window.

Section 8. Lots Not to be Subdivided. No Lot or Lots shall be subdivided, except for the purpose of combining portions with an adjoining Lot, provided that no additional building site is created thereby. No less than one entire Lot, as conveyed, shall be used as a building site.

Section 9. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done or placed on any Lot which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to others. No electronic or radio transmitter of any kind shall be operated upon the Property. No aerials or antennae shall be installed upon the exterior of any Lot or for the transmission of electronic signals, except for garage door openers.

Section 10. No Hazardous Activities. No activities shall be conducted on the Property and on improvements constructed on the Property which are or might be unsafe or hazardous to any person or property or might cause the cancellation or diminution of insurance or an increase in insurance premiums. Without limiting the generality of the foregoing, no firearms shall be discharged upon any of the Property and no open fires shall be lighted or permitted on the Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace or except such campfire or picnic fires in an area designated for such by the Association.

Section 11. No Annoying Light, Sounds or Odors. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare; no sound shall be emitted on any Lot which is unreasonably loud or annoying; and no odor shall be emitted on any Lot which is noxious or offensive to others.

Section 12. Restrictions on Parking and Storage. No vehicle shall be parked overnight within the Property or on any public streets bordering Property except within the garage portion of a Lot and except for private automobiles of short-term guests of residents. No Lot or private streets, drives, or parking areas within the Common Area, unless specifically designated by the Association therefore, or any public street adjoining the project shall be used as a parking, storage, display or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat, or accessories thereto, motor-driven cycle, truck, self-contained motorized vehicle, or any type of van except as a temporary expedience for loading, delivery or emergency. The same shall be stored, parked, or maintained wholly within a garage area of the Lot or in an area designated by the Association, the making of such designation to be in the sole discretion of the Association. This restriction, however, shall not restrict trucks or other commercial vehicles within the Property which are necessary for the construction or residential dwellings or maintenance of the Common Area or making deliveries or performing services.

Section 13. Clotheslines and Storage. Outside clotheslines or basketball hoops and backboards, whether on buildings or free standing, carports and patio covers or similar structures shall not be allowed unless approved by the Architectural Control Committee, and all clotheslines shall be confined to the enclosed patio areas. All such approved structures shall be located out of view of the street or of any neighboring Townhomes. Service or storage areas shall be so located as not to be visible from a street or road. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of the neighboring Townhomes. Ornamental post lights must be approved by the Architectural Control Committee.

Section 14. Garbage and Refuse Disposal. No Garbage, refuse, rubbish or cuttings shall be deposited on any street, on the Common Area, or on any Lots unless placed in a suitable container suitably located, solely for the purpose of garbage pickup. All trash and refuse containers, except when placed as noted above for the sole purpose of garbage pickup, will be kept inside garages. The burning of trash in outside incinerators, barbeque pits or the like is prohibited, it being intended that all refuse, trash, garbage and the like shall be hauled from the Property. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section 15. Repair. No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of vehicle, trailers, boats, or vans may be performed on any Lot unless it is done within the completely enclosed structures located on the Lot which screen the sight and sound of the activity from the street and from adjoining property. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle, boat, trailer, or motor-driven cycle together with those activities normally incident and necessary to such washing and polishing.

Section 16. Tanks. No tanks of any kind, either elevated or buried, shall be erected, placed or permitted upon any Lot.

Section 17. Underground Electric Lines. All electric, television, radio and telephone line installations and connections shall be placed underground, except for power substations and switching stations which shall be adequately screened from view and except for customary surface devices for access or control and except that during the construction of a residence the contractor or builder may install a temporary overhead utility line which shall be promptly removed upon completion of construction and which shall be subject to Declarant's prior written approval.

Section 18. Access to Public Utility Meters. No garage door or other obstruction to the entry of any garage space shall be so constructed, installed, attached, placed or maintained as to prevent, hinder or limit access to public utility meters by any public utility company employee for the purpose of reading such public utility meters.

Section 19. Garage Doors. Garage doors are to be kept closed at all times except when not in immediate use for ingress or egress of motor vehicles, equipment and the like and subject further to Section 18 above.

Section 20. Sales and Construction Facilities and Activities of Declarant. Notwithstanding any provision to the contrary contained herein, Declarant, its agents, employees and contractors shall be permitted to maintain during the period of any construction on and sale of the Lots, upon such portion of the Property as Developer may choose, such facilities as in the sole opinion of the Developer may be reasonably required, convenient or incidental to the construction, sale or rental of Lots, including without limitation, a business office, storage area, construction yards, signs, model Townhomes, sales office, construction office, parking areas and lighting and temporary parking facilities for all prospective tenants or purchasers of Lots. In addition, Declarant, its agents, employees and contractors shall have the right to ingress and egress over the Common Area as in Declarant's discretion may be necessary to complete the project.

ARTICLE VIII

INSURANCE

Section 1. Common Insurance. The Association shall obtain and maintain at all times, to the extent obtainable, insurance policies covering the following risks:

(i) Fire insurance with extended coverage and standard all risk endorsements, which endorsements shall include endorsements for vandalism and malicious mischief. Said casualty insurance shall insure the Property together with all building, fixtures, improvements, and service equipment located thereon and a part thereof (excluding fixtures, appliances, furniture, furnishings or other personal property supplied, maintained, or installed by an Owner) in an amount equal to the full replacement value, without deduction for depreciation. All policies shall contain a standard non-contributory mortgage clause in favor of each Mortgagee of a Lot, which shall provide that the loss, if any, thereunder shall be payable to the Association, for the use and benefit of Owners and Mortgagees as their interests may appear. Unless at least two-thirds (2/3) of all Owners (other than Declarant) and at least two-thirds (2/3) of all first Mortgagees, (based upon one vote for each First Mortgage owned or executory land sales contract held), the Association shall not be entitled to: (1) Fail to maintain fire and extended

coverage on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost); or (2) Use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of such property.

(ii) Public liability and property damage insurance in such limits as the Board of Directors of the Association may from time to time determine, but not in an amount less than \$500,000.00 for bodily injury, per person, per occurrence and umbrella liability limits of \$1,000,000 per occurrence covering claims for bodily injury and \$50,000 for property damage arising out of one occurrence. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest endorsement" which shall preclude the insurer from denying the claim of an Owner because of the negligent acts or omissions of the Association or other Owners. However, such policy need not cover the individual liability of an Owner arising from occurrences with his Lot.

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

(iv) Fidelity coverage against dishonesty of directors, managers, volunteers and employees, destruction or disappearance of money or securities and forgery, to the extent obtainable. The fidelity insurance shall name the Association as the named insured and shall be written in an amount not less than one and one-half times the insured's estimated annual operating expenses and reserves. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(v) Any other insurance against such other risks, of a similar or dissimilar nature, which the Association shall deem appropriate with respect to the project.

Section 2. Appraisal. At least annually and prior to obtaining any insurance policy required under Section 1 of this Article, the Board of Directors shall obtain an estimate of the full replacement value of all improvements each Lot, including all buildings, fixtures, improvements and service equipment located thereon, and of the Common Area improvements including landscaping and underground facilities, without deduction for depreciation, for the purpose of determining the amount of insurance required under that Section. The amount of such insurance shall be shown in the Association's annual report. Upon written challenge by the Owners of three or more Lots that the Association's estimate of maximum replacement value is too low, the Association will secure a certified appraisal of replacement value prepared by a M.A. I. Appraiser and will conform the hazard insurance to the value indicated by that appraisal. In any event, each Owner of a Lot is responsible for the adequacy of the insurance coverage carried for the protection of himself of his Lot. On written request of an Owner, the Association, by a certificate of insurance or otherwise, will advise the Owner of the amount and incidents of the insurance carried for the Owner and his Lot. Each Owner may have the amount or extent of his coverage increased, the cost of the increase to be assessed to him as a special assessment as provided herein.

Section 3. Form of Issuance. Fire and other hazard insurance shall be carried in blanket policy form with a company licensed in the State of Colorado, shall name the Association (pursuant to Article IX, Section 1) as the named insured, as attorney in fact for the Owners of the Improvements insured, shall identify the interest of each Owner, shall provide a standard, non-contributory mortgagee clause in favor of each first Mortgagee which has given the Association notice of its lien, and shall provide that the policy cannot be cancelled by either the insured or the insurance company until ten days' prior written notice is first given to each insured, including the Owners, first Mortgagees and the Association. All such policies of insurance shall provide that breach of warranty, act, omission, negligence or non-compliance with any provision of the policy or nonpayment of insurance premium of or by any Owner or permitting or failing to prevent the happening of any event before or after a loss shall not invalidate or suspend the insurance except as to the interest of the particular Owner guilty of the act, omission or other misconduct. All policies of insurance shall provide further that the insurance under any such policy, as to the interests of all other insureds not guilty of any such act, omission or misconduct, shall remain in full force and effect and shall not be invalidated or suspended. All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on coinsurance. The Board of Directors of the Association shall not obtain any policy where: (i) under the terms of the insurance company's charter, bylaws or policy, contributions or assessments may be made against the Association, the Owners or a Mortgagee; or (ii) by the terms of carrier's charter, bylaws or policy, loss payments are contingent upon action by the company's board of directors, policyholders or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent the Association or the Mortgagees from collecting insurance proceeds.

Section 4. Owner's Personal Property and Liability Insurance. Each Owner shall be solely responsible, at his expense, for all insurance covering all loss or damage to any and all fixtures, appliances, furniture, furnishings or other personal property supplied, maintained or installed by the Owner's Lot or covering liability for injury, death or damage occurring within his Lot. Such insurance shall contain waivers of subrogation and shall be so written that the insurance obtained by the Association shall not be affected or diminished. The Association shall have no responsibility regarding the obtaining or continuation of any such insurance.

ARTICLE IX

DAMAGE, DESTRUCTION, CONDEMNATION AND MERGER

Section 1. Attorney-in-Fact. This declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Property in the event of their destruction, damage, or condemnation, including the repair, replacement and improvement of any buildings, fixtures, improvements and service equipment located on the Property (but excluding any furniture, furnishings, or other personal property installed by the Owners). Title to any Lot is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Woodbridge Townhome Owners Association, Inc. as their true and lawful attorney in their name, place and stead, for the purpose of dealing with the Property upon their damage, destruction, restoration or condemnation as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary or its other duly authorized officers and agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers herein granted. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, reconstruction or replacement unless two-thirds (2/3's) of all the Owners and two-thirds (2/3's) of all First Mortgagees agree not to rebuild in accordance with the provisions hereinafter set forth.

Section 2. Damage or Destruction.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power as attorney-in-fact to cause the repair and restoration of the improvements. The annual assessments set forth in Article IV shall not be abated during the period of insurance adjustments and repair and reconstruction.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is not more than sixty percent (60%) of the total replacement cost of all of the property described in Section 1 of this Article, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the Owners and their Lots. Such special assessment shall be made and shall be due and payable as provided in Article IV, Section 5 hereof. The Association shall have full authority, right and power as attorney-in-fact, to cause the repair, replacement or restoration of the improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Lot and may be enforced and collected as is provided in Article IV.

(c) If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is more than sixty percent (60%) of the total replacement cost of all of the property described in Section 1 of this Article, not including land, such damage or

destruction shall be promptly repaired and reconstructed by the association, as attorney-in-fact, using the proceeds of insurance and the proceeds of a special assessment to be made against all of the Owners and their Lots, provided, however, that two-thirds (2/3's) or more of the Owners and at least two-thirds (2/3's) of the first Mortgagees of record may agree not to repair or reconstruct the improvements; and in such event, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the Property shall be sold by the Association pursuant to the provisions of this Section, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Plat, Articles of Incorporation and Bylaws, except for the provisions of subparagraph (d) of this Section 2. Annual assessments shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association according to each Owner's interest therein based upon the appraised value of that Owner's Lot, and the improvements and fixtures thereon, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Lots. Each such account shall be in the name of the Association, and shall be further identified by the Lot designation and the name of the Owner. From each separate account the Association, as attorney-in-fact shall forthwith use and disburse the total amount of each such accounts, without contribution from one account to another, toward the partial or full payment of the lien of any first Mortgage encumbering the Lot represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire real property in the project. Such apportionment shall be based upon each Owner's interest therein based upon the appraised value of that Owner's Lot. The total funds of each account shall be used and disbursed, without contribution, from one account to another by the Association, as attorney-in-fact, in the following order:

- (1) For payment of the balance of the lien of any first Mortgage;
- (2) For payment of taxes and special assessments liens in favor of any assessing entity and the customary expenses if sale;
- (3) For payment of unpaid assessments and any and all unpaid liens and costs, expenses and fees incurred by the Association;
- (4) The balance remaining, if any, shall be paid to the Lot Owner.

(d) Because of Gates' involvement in the Cheyenne Mountain Ranch area generally, the following protective covenants are imposed and shall continue to apply to Property for a period of thirty (30) years from the date of this Declaration, independently of and in addition to the other covenants herein contained, and shall apply to any restoration or replacement, whether or not the balance of this Declaration has been released or terminated prior to such date. Except with Gates' written consent:

- i. no structure may exceed a height of twenty-seven (27) feet above natural grade;
- ii. no building may be used for any purpose other than single-family dwelling units;
- iii. the number of dwelling units may not exceed 7.15 per acre, and

- iv. no exterior construction, addition, rebuilding, change or alteration shall be made until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing by Gates as to harmony of external design and location in relation to surrounding structures and topograph.

The foregoing provisions of this subparagraph (d) may be released from the Property only by written instrument, executed by Gates and properly recorded.

Section 3. Condemnation. In the event proceedings are initiated by any government or agency thereof, seeking to take by eminent domain the Common Area, any part thereof or any interest therein, any improvement thereon, or any interest therein, with a value (including loss of value to the balance of the Common Area and improvements thereof), as reasonably determined by the Association in excess of \$10,000.00, the Association shall give prompt notice thereof, including a description of the part of or interest in the Common Area or improvement thereon sought to be so condemned, to all first Mortgagees of Lots, to all Owners and to the Declarant. The Association shall have full power and authority to defend in said proceedings, but the Association shall not enter into proceedings, pursuant to which the Common Area or any part thereof or any interest therein, or any improvement thereon or any part thereof or interest therein is relinquished without giving all First Mortgagees of Lots, Owners, and Declarant at least fifteen (15) days prior written notice thereof.

In the event, following such proceedings, there is such a taking in condemnation or by eminent domain of a part or all of the Common Area, the award made for such taking shall be payable to the Association, subject to the rights of all First Mortgagees. If seventy-five percent (75%) or more of the Owners approve the repair and restoration of the Common Area, the Association shall arrange for the same and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event seventy-five percent (75%) or more of the Owners do not duly and promptly approve the repair and restoration of such Common Area, the Association shall disburse the net proceeds of such award to the Owners, the Owner of each Lot receiving one (1) equal share, provided that the Association shall first pay out of the shares of each Owner the amount of any unpaid liens or encumbrances on his Lot in the order of the priority of such liens or encumbrances. No provision of this Declaration or of any other document relating to the Property shall be deemed to give an Owner or any other party priority over the rights of a first Mortgagee in the case of a distribution to an Owner of insurance proceeds or condemnation awards for losses to or taking of Lots or Common Area, or both.

Section 4. Merger. The Association may merge or otherwise affiliate with one or more homeowner's associations in the surrounding area on such terms and conditions as may be agreed to by two-thirds (2/3) of each class of Members and by two-thirds (2/3) of all First Mortgagees. The surviving entity in any such merger or affiliation shall be the Association for purposes of this Declaration.

ARTICLE X

PHASED DEVELOPMENT

Section 1. Right to Expand. For a period continuing until seven (7) years from the date hereof, Declarant reserves the right to expand this project to include additional land and one or more additional buildings; provided, however, that the total number of units in the project, as expanded, shall not exceed sixty-four (64), and by accepting a deed to a Lot, each Owner hereby grants to Declarant a right to expand the project and to modify the Owner's interest in the Common Area accordingly, as hereinafter set forth in this Article. Such expansion may include all or any part of the Expansion Property and any improvements constructed or to be constructed thereon. Any additional buildings to be constructed shall be of comparable style, floor plan, size, and quality in relation to those buildings presently constructed.

Section 2. Procedure for Expansion. Such expansion may be accomplished by the filing for record by Declarant with the Clerk and Recorder of the county in which the project is located, no later than seven (7) years from the date of this Declaration, a supplement or supplements to this Declaration containing a legal description of the land area to be added to the project, together with a supplement to the plat. Any such supplement to this Declaration shall also contain a listing of the number of Lots to be contained in the expanded portion of the project and the adjustment to ownership interests in the Common Area. The expansion may be accomplished in "phases" by successive supplements.

Section 3. Effect of Expansion.

(a) In the event of such expansion, the definitions used in this Declaration shall automatically be expanded to encompass and refer to the project as so expanded; e.g., "Property" shall mean the real property described herein plus any additional real property added by supplement to this Declaration. References to this Declaration shall mean this Declaration as so supplemented. Every Owner of a Lot in the area added shall, by virtue of such ownership, be a member of the Association and shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Association member. The recording with Clerk and Recorder of the county in which the project is located, of a supplement to this Declaration incident to any expansion shall operate automatically to grant, transfer, and convey to the then Owners of the Lots, as it existed before such expansion, the respective undivided interests appurtenant thereto in the new Common Area, if any, added to the project as a result of such expansion. Such recording shall also operate to vest in any then Mortgagee of any Lot in the project, as it existed before such expansion, a security interest in the appurtenant additional undivided interests so acquired by the Owner of a Lot.

(b) Upon recording of the supplement(s) to Declaration and any supplement plat with the Clerk and Recorder of the county in which the project is located, the additional Lots and Common Area shall be subject to the provisions of this Declaration, as supplemented, and each Owner of a Lot in the expanded project shall thereafter automatically own an undivided fractional interest in the entire expanded Common Area as follows: The numerator of the fraction describing each Owner's fractional interest shall be one, and the denominator of that fraction shall be the number of Lots within all of the expanded project. For example, if ten additional Lots were to be added to the initial twenty units, each Owner of the expanded project

would then automatically have a 1/30 undivided interest in both the old and new Common Area. If any additional areas are added to the existing project, any referene in this Declaration to a one-twentieth interest in the Common Area shall be understood to refer to the new undivided fractional interest adjusted as described above.

(c) At such time, within seven (7) years of the date hereof, that the Declarant determines that the Project is completed, he shall record with the Clerk and Recorder of the county in which the Project is located, a Certificate of Completion. Said Certificate shall contain a statement of the total number of Lots. Said recording shall act automatically to convey previously unconveyed interest in the Common Area to the Owners, without further conveyance.

(d) Until the expansion of the project is accomplished by recording the supplement(s) to this Declaration and supplemental plat(s), the Expansion Property and any improvements constructed thereon shall not be subject to this Declaration in any way whatsoever, including but not limited to consideration for the purpose of apportioning assessments or determining voting rights or privileges. If such expansion does not occur, nothing contained in this Declaration or otherwise shall restrict, impair, hinder, encumber or burden, in any way whatsoever, Declarant's, or its successors or assigns, or Gates; sole and complete right, title and interest to the Expansion Property and any improvements constructed thereon.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Acceptance of Provisions of All Documents. The conveyance or encumbrance of a Lot or the improvements thereon shall be deemed to include the acceptance of all provisions of this Declaration, The Articles of Incorporation of the Association and the Association's Bylaws and rules and regulations, all of which shall be binding upon each Owner and everyone having an interest in the Lot without the necessity of inclusion of an express provision in the instrument of conveyance or encumbrance.

Section 2. Enforcement. The Association, the Declarant or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Gates shall also have the specific enforcement rights granted to it herein.

Section 3. Non-Waiver. Provisions of this Declaration may be amended or terminated only as provided in Section 7 of this Article. Declarant, members, officers or directors of the Association may not waive or impair the effectiveness or enforceability of any provisions of this Declaration by failure to enforce. Every person bound by this Declaration is deemed to recognize and agree that it is not the intent of this Declaration to require constant, harsh or literal enforcement as a requisite of its continuing vitality and that leniency or neglect in its enforcement shall not in any way invalidate this Declaration or any part of it, nor operate as an impediment to subsequent enforcement.

Section 4. Cumulative. Each of these covenants is cumulative and independent and is to be construed without reference to any other provision dealing with the same subject matter or imposing similar or dissimilar restrictions. A provision shall be fully enforceable although it may prohibit an act or omission sanctioned or permitted by another provision.

Section 5. Severability. Invalidation of any of these covenants or restrictions by judgment of a court order shall in no way affect or limit any other provisions which shall remain in full force and effect.

Section 6. Conflicts of Provisions. In case conflict between this Declaration and the Articles of Incorporation or the By-Laws, this Declaration shall control.

Section 7. Duration and Amendment. Each and every provision of this Declaration shall be binding upon each and every Owner, his heirs, successors, assigns and personal representative and shall run with and bind the land for a term of twenty (20) years from the date of recording of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each. This Declaration may be amended, modified or terminated by an instrument signed by not less than 75% of the Members of all classes; provided however, (a) that any section in this Declaration which requires a particular percentage of Owners and/or Mortgagees may be amended only by written consent of that percentage of those parties, (b) that this section may be amended by an instrument signed by 90% of the Members of all classes, Gates, and 100% of all First Mortgagees, (c) any amendment of modification or termination of the following provisions hereof shall additionally require the written consent of Gates: Article II, Section 1 (d); Article III; Article IV, Section 7; Article V, Section 6; Article VII, Section 3; Article IX, Section 2 (d); Article X; and Article XI, Sections 7 and 12, and (d) that the Declarant hereby reserves the right to make such amendments, without vote of the Owners, as may be required by primary or secondary lending institutions or agencies, and each Owner by accepting a deed to his Lot appoints Declarant as his attorney-in-fact for purposes of executing in said Owner's name and recording any such amendments to this Declaration, and each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to the Declarant to make, execute and record any such amendments.

Section 8. Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and except for monthly statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, until such address is changed by a notice of change of address mailed to each Owner by the Association.

Section 9. Assignment of Declarant's Rights. The Declarant may assign its rights and authority hereunder, in whole or in part, by express written assignment, duly recorded.

Section 10. Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 11. Captions. The captions to the Articles and Sections are inserted herein only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of the Declaration nor the intent of any provisions hereof.

Section 12. Association to Resolve Ambiguities. If any doubt or question shall arise concerning the true intent or meaning of any of this Declaration, the board of directors of the Association shall, by resolution, determine the proper construction of the provision in question and such resolution shall fix and establish the meaning, effect and application of the provision. However, this provision shall not apply to any such question concerning Declarant or Gates, unless Declarant or Gates, as applicable, has given its specific prior written authorization for the board of directors to make the determination.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal as of the day and year first above written.

DECLARANT:
R & S CONSTRUCTION, LTD
a Colorado corporation

Signed by J Thomas Schmidt
President

Signed by Larry H Lawrence
Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 19th day of June, 1981 by J Thomas Schmidt and (name left blank), _____ President of R & S CONSTRUCTION, LTD., a Colorado corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 21st day of May, 1981 by Larry H Lawrence as Secretary of R & S Construction, Ltd.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

GATES CONSENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Gates Land Company, a Colorado corporation, hereby consents and agrees to the foregoing Declarations or Covenants, Conditions and Restrictions of Woodbridge Townhomes, and the covenants recorded in Book 3442 at Page 38 of the real property records of the Clerk and Recorder of El Paso County, Colorado (the "Interim Covenants"), are hereby released, terminated and revoked by Gates only as to the real property described in Exhibit A attached to this Declaration. However, this termination shall not affect the Amendment to Deeds of Trust recorded in Book 3449 at Page 539 of the records of El Paso County. Any person or entity acquiring any interest in the property described in the attached Exhibit A by virtue of such deeds of trust shall be subject to the Interim Covenants.

Signed this 12th day of June, 1981

GATES LAND COMPANY, a Colorado
Corporation

Signed by Secretary

Signed by David Sunderland

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 12th day of June, 1981 by David K Sunderland as President and (cannot read name) as Secretary of Gates Lane Company, a Colorado corporation.

Witness my hand and seal.

Signed by Notary Public
Notary Public

EXHIBIT "A"

A tract of land located in the NW ¼ of Section 6, TISS, RGGW of the 6th P.M., described as: commencing at the northwest corner of said Section 6 from which the W ¼ corner of said Section 6 bears S 0° 41' 25" E, thence S 15° 49' 55" E, 1951.26 ft. to a point on the northerly right-of-way line of Broadmoor Valley Road in Broadmoor Valley Park Filing No. 1, a subdivision in the County of El Paso, State of Colorado, according to the recorded plat thereof: thence southeasterly, 172.04 ft. along the northerly right-of-way of said Broadmoor Valley Road and along the arc of a curve concave to the south, to a point tangent, said arc having a radius of 345.00 ft., a delta angle of 28° 34' 20", and being subtended by a chord that bears S 84° 24' 11" E, 170.27 ft.; thence S 70° 07' 01" E, 72.46 ft. along the northerly right-of-way line of said Broadmoor Valley Road to the true point of beginning:

Thence continuing S 70° 07' 01" E, 458.43 ft. along the northerly right-of-way line of said Broadmoor Valley Road to a point of curve to the right:

Thence southeasterly, 292.87 ft. along the northerly right-of-way line of said Broadmoor Valley Road and along the arc of said curve, said arc having a radius of 530.00 ft., a delta angle of 31° 39' 40", and being subtended by a chord that bears S 54° 17' 11" E, 289.16 ft.

Thence N 51° 32' 39" E, 279.50 ft. to the southerly line of Lot 1, Block 1, Broadmoor Valley Filing Number One, a subdivision in the County of El Paso, State of Colorado, according to the recorded plat thereof.

The following courses and distances are along the southerly line of said Lot 1:

Thence N 19° 47' 47" W, 534.55 ft.;

Thence N 8° 47' 55" W, 263.72 ft.;

Thence westerly, 244.35 ft. along the arc of a curve concave to the south, said arc having a radius of 100.00 ft., a delta angle of 140° 00' 09" and being subtended by a chord that bears N 78° 08' 40" W, 187.94ft.;

Thence S 32° 06' 05" W, 328.83 ft.;

Thence S 45° 36' 00" W, 228.80 ft.;

Thence S 43° 11' 00" W, 152.90 ft.;

Thence, leaving the southerly line of said Lot 1, S 19° 52' 59" W, 107.59 ft. to the true point of beginning.

Except and excluding the tract of land described on Exhibit "B" attached to the Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes.

EXHIBIT "B"

A tract of land located in the Northwest One-Quarter of Section 6, Township 15 South, Range 66 West of the 6th P.M., El Paso County, Colorado, more particularly described as follows: Commencing at the most Westerly corner of Woodbridge Subdivision as recorded in Plat Book N-3 at Page 16 of the records of El Paso County, Colorado (all bearings used in this description are relative to said Woodbridge Subdivision); thence S 70° 07' 01" E, along the Southwesterly boundary of said Woodbridge Subdivision and along the Northeasterly right-of-way line of Broadmoor Valley Road in Broadmoor Valley Park Filing No. 1, a subdivision in the County of El Paso, State of Colorado, according to the recorded plat thereon, 270.02 feet to the point of beginning of the tract to be described; thence N 19° 52' 59" E, 152.04 feet; thence S 70° 07' 01" E, 238.59 feet; thence N 19° 52' 59" E, 90.00 feet; thence N 31° 13' 00" W, 103.92 feet; thence N 65° 10' 00" E, 40.48 feet; thence N 18° 45' 00" W, 228.62 feet; thence N 48° 32' 00" E, 21.19 feet; thence N 52° 00' 00" W, 144.53 feet to intersect the Westerly boundary line of said Woodbridge Subdivision; (the following seven (7) courses are along the boundary of said Woodbridge Subdivision) (1) thence N 32° 06' 05" E, 202.21 feet; (2) thence along the arc of a nontangent curve to the right, which curve has a central angle of 140° 00' 09", a radius of 100.00 feet, and an arc length of 244.35 feet (the chord of said curve bears S 78° 08' 40" E); (3) thence S 8° 47' 55" E, 263.72 feet; (4) thence S 19° 47' 47" E, 534.55 feet; (5) thence S 51° 32' 39" W, 279.50 feet to the aforesaid Northerly right-of-way line of Broadmoor Valley Road; (6) thence along the arc of a curve to the left, which curve has a central angle of 31° 39' 40", a radius of 530.00 feet, and an arc length of 292.87 feet (the chord of said curve bears N 54° 17' 11" W); (7) thence N 70° 07' 01" W, 188.41 feet to the point of beginning and containing 6.633 acres more or le

SUPPLEMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
WOODBIDGE TOWNHOMES
(PHASE II)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, R & S Construction, Ltd., a Colorado Corporation (hereinafter called the “Declarant”), did cause to be recorded a Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes, on June 28, 1981, in Book 3449 beginning as Page 544 of the real property records of the County of El Paso, State of Colorado (hereinafter called the “Declaration”):

and

WHEREAS, pursuant to the terms and provisions of Article X of the Declaration, expressly reserved the right to expand the Woodbridge Townhomes Project herein described (hereinafter called the “Project”) by submitting additional real property and improvements to townhome ownership, thereunder, which expansion could be accomplished pursuant to the terms of the Declaration, without the consent of the Owners of the then existing townhome units with the Project;

and

WHEREAS, the Declarant desires (in accordance with the terms and conditions set forth in the Declaration) to expand further the Project by submitting to townhome ownership the real property described on Exhibit “A” attached hereto and incorporated herein by reference and all improvements located thereon (said real property and improvements are hereinafter called the “Added Property”).

NOW, THEREFORE, The Declarant hereby submits the Added Property to the covenants, conditions, restrictions and provisions of the Declaration and further declares that the Added Property shall be held, sold, used, improved, occupied, owned, resided upon, encumbered, hypothecated and conveyed subject to the covenants, conditions, restrictions

and provisions of the Declaration. All of which shall run with the land and, as provided in the Declarations, be binding upon and inure to the benefit of any and all parties having any right, title or interest in the Added Property or any part thereof, their heirs, successors, personal representatives and assigns. The Declarant further declares hereby that the covenants, conditions, restrictions and provisions of the Declaration shall apply equally and alike to all Lots, whether located in the Added Property or in the real property originally submitted by the Declaration, and to all Owners, Mortgagees and other parties having any interest in such Lots.

The Added Property contains ten additional Lots (Lots 13 through 22, inclusive) and Additional Common Area as shown on the Supplemental Plat for Phase II; therefore, title to the Common Area, whether located within the Added Property or in the real property originally submitted by the Declaration, is hereby adjusted so that each Owner of a Lot, whether located in the Added Property or in the real property originally submitted by the Declaration, shall have an appurtenant, pro rata, undivided one-thirtieth (1/30th) interest in the Common Area for the entire Project. Except for the foregoing adjustment, the covenants, conditions, restrictions and provisions of the Declaration remain in full force and effect as originally set forth, including without limitation the reserved right of the Declarant to further expand the Project as set forth in Article X.

IN WITNESS WHEREOF, the Declarant has executed this Supplement to the Declaration this 2nd day of March, 1982.

DECLARANT: R & S CONSTRUCTION, LTD.,
a Colorado Corporation

BY: Signed by J Thomas Schmidt
J. Thomas Schmidt, President

Signed by Larry H Lawrence
Larry H Lawrence, Secretary

STATE OF COLORADO

COUNTY OF EI PASO

The forgoing instrument was acknowledged before me this 2nd day of March, 1982, by J Thomas Schmidt and Larry H Lawrence, President and Secretary, respectively, of R & S CONSTRUCTION, LTD., a Colorado Corporation.

WITNESS my hand and official seal

Signed by Notary Public
NOTARY PUBLIC

GATES' CONSENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Gates Land Company, a Colorado corporation, hereby covenants and agrees to the forgoing Supplement to Declarations of Covenants, Conditions and Restrictions of Woodbridge Townhomes (phase II) and the covenants recorded in Book 3442 at Page 38 of the real property records of the Clerk and Recorder of El Paso County, Colorado (the "Interim Covenants"), are hereby released, terminated and revoked by Gates only as to the real property described in Exhibit "A" attached to that Supplement to Declaration. However, this termination shall not affect the Amendment to Deeds of Trust recorded in Book 3449 at Page 539 of the records of El Paso County. Any person or entity acquiring any interest in the property described in the attached Exhibit "A" by virtue of such deeds of trust shall be subject to the Interim Covenants.

SIGNED this 4th day of March, 1982

GATES LAND COMPANY,
a Colorado Corporation

BY: Signed by David K Sunderland
David K Sunderland, President

ATTEST

Signed by D R Davidson
Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 4th day of March, 1982, by David K Sunderland and, D R Davidson, President and Secretary, respectively, of GATES LAND COMPANY, a Colorado Corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC
Address of Notary Public

EXHIBIT "A"

That part of Lot 1, Block 1, WOODBRIDGE SUBDIVISION, according to the plat recorded in the records of the Clerk and Recorder of El Paso County, Colorado in Plat Book N-3 at Page 16, described as follows:

A tract of land located in the Northwest One-Quarter of Section 6, Township 15 South, Range 66, West of the 6th P. M., El Paso County, Colorado, more particularly described as follows: Commencing at the most Westerly corner of Woodbridge Subdivision as recorded in Plat Book N-3, at Page 16 of the records of El Paso County, Colorado (all bearings used in this description are relative to said Woodbridge Subdivision); (the following four (4) courses are along the Westerly boundary line of said Woodbridge Subdivision);

- 1.) thence N 19° 52' 59" E, 107.59 feet;
- 2.) thence N 43° 11' 00" E, 152.90 feet;
- 3.) thence N 45° 36' 00" E, 228.80 feet;
- 4.) thence N 32° 06' 05" E, 126.62 feet to the point of beginning of the tract to be described;

(the following three (3) courses are along the boundary of said Woodbridge Subdivision);

- 1.) thence continue N 32° 06' 05" E, 202.21 feet;
- 2.) thence along the arc of a curve to the right, which curve has a central angle of 140° 00' 09", a radius of 100.00 feet and an arc length of 244.35 feet; (the chord of said curve bears S 78° 08' 40" E;
- 3.) thence S 8° 47' 55" E, 178.77 feet, thence S 67° 00' 00" W, 228.61 feet; thence N 18° 45' 00" W, 32.00 feet; thence N 48° 32' 00" E, 21.19 feet; thence N 52° 00' 00" W, 144.53 feet to the point of beginning and containing 1.625 acres more or less.

SECOND SUPPLEMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
WOODBRIIDGE TOWNHOMES
(PHASE III)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, R & S Construction, Ltd., a Colorado Corporation (hereinafter called the “Declarant”), did cause to be recorded a Declaration of Covenants, Conditions and Restriction of Woodbridge Townhomes, on June 28, 1981, in Book 3449 beginning at Page 544 (hereinafter called the “Declaration”) and a Supplement to the Declaration (Phase II) recorded in Book 3541 beginning at Page 484 (hereinafter called the “First Supplement”) of real property records of the County of El Paso, State of Colorado; and

WHEREAS, pursuant to the terms and provisions of Article X of the Declaration, the Declarant expressly reserved the right to expand the Woodbridge Townhomes Project therein described (hereinafter call the “Project”) by submitting additional real property and improvements to townhome owner-ship, thereunder, which expansion could be accomplished pursuant to the terms of the Declaration, without the consent of the Owners of the then existing townhome units with the Project; and

WHEREAS, the Declarant desires (in accordance with the terms and conditions set forth in the Declaration) to expand further the Project by submitting to townhome ownership the real property described on Exhibit “A” attached hereto and incorporated herein by reference and all improvements now or hereafter located thereon (said real property and improvements are hereinafter call the “Added Property”).

NOW, THEREFORE, the Declarant hereby submits the Added Property to the covenants, conditions, restrictions and provisions of the Declaration and further declares that the Added

Property shall be held, sold, used, improved, occupied, owned, resided upon, encumbered, hypothecated and conveyed subject to the covenants, conditions, restrictions and provisions of the Declaration. All of the provisions of the Declaration, the First Supplement and this Second Supplement shall run with the land and, as provided in the Declaration, be binding upon and inure to the benefit of any and all parties having any right, title or interest in the Added Property or any part thereof, their heirs, successors, personal representatives and assigns. The Declarant further declares hereby that the covenants, conditions, restrictions and provisions of the Declaration shall apply equally and alike to all Lots, whether located in the Added Property or in the real property originally submitted by the Declaration or subsequently submitted by the First Supplement, and to all Owners, Mortgagees and other parties having any interest in such Lots.

The Added Property contains eight additional Lots (Lots 23 through 26, inclusive and Lots 47 through 50, inclusive, Woodbridge Townhomes, El Paso County, Colorado) and additional Common Area as shown on the Supplement Plat for Phase III; therefore, title to the Common Area, whether located within the Added Property or in the real property submitted by the Declaration or by the First Supplement is hereby adjusted so that each Owner of a Lot, whether located in the Added Property or in the real property submitted by the Declaration and by the First Supplement, shall have an appurtenant, pro rata, undivided one-thirty-eighth ($1/38^{\text{th}}$) interest in the Common Area for the entire Project. Except for the foregoing adjustment, the covenants, conditions, restrictions and provisions of the Declaration remain in full force and effect as originally set forth, including without limitation the reserved right of the Declarant to further expand the Project as set forth in Article X.

IN WITNESS WHEREOF, the Declarant has executed this Second Supplement to the Declaration this 21st day of June, 1982.

R & S CONSTRUCTION, LTD.,
a Colorado Corporation

BY: Signed by J Thomas Schmidt,
J Thomas Schmidt
President

Signed by Larry H Lawrence
Larry H Lawrence, Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 21st day of June, 1982, by J. Thomas Schmidt and Larry H Lawrence, President and Secretary, respectively, of R & S CONSTRUCTION, LTD., a Colorado Corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

GATES' CONSENT

FOR GOOD AND VALUABLE CONSIDERATION, this receipt and sufficiency of which is hereby acknowledged, Gates Land Company, a Colorado Corporation, hereby covenants and agrees to the foregoing Second Supplement to Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes (Phase III), and Gates Land Company further agrees that the covenants recorded in Book 3442 at Page 38 of the real property records of the Clerk and Recorder of El Paso County, Colorado (the "Interim Covenants"), are hereby released, terminated and revoked by Gates only as to the real property described in Exhibit "A" attached to the foregoing Second Supplement to Declaration. However, this termination shall not affect the Amendment to Deeds of Trust recorded in Book 3449 at Page 539 of the records of El Paso County. Any person or entity acquiring any interest in the property described in said Exhibit "A" by virtue of such deeds of trust shall be subject to the Interim Covenants.

SIGNED THIS 28th DAY OF JUNE, 1982.

GATES LAND COMPANY
A Colorado Corporation

By: David K Sunderland
David K Sunderland, President

Signed by D R Davidson
D R Davidson, Ass't. Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 28th day of June, 1982, by David K Sunderland and D R Davidson, as President and Ass't. Secretary of GATES LAND COMPANY, a Colorado Corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

EXHIBIT "A"

The following real property, to-wit:

PHASE III

A tract of land located in the Northwest One-Quarter of Section 6, Township 15 South, Range 66 West of the 6th P.M., El Paso County, Colorado, more particularly described as follows: Commencing at the most Easterly corner of Woodbridge Subdivision as recorded in Plat Book N-3 at page 16 of the records of El Paso County, Colorado (all bearings used in this description are relative to said Woodbridge Subdivision); N 19° 47' 47" W along the Easterly boundary line of said Woodbridge Subdivision, 427.58 feet to the Point of Beginning of the tract to be described; thence S 65° 10' 00" W, 216.48 feet; thence N 18° 45' 00" W, 196.62 feet; thence N 67° 00' 00" E, 228.61 feet to a point on the aforesaid Easterly boundary line; (the following two [2] courses are along the said Easterly boundary line; 1.) thence S 8° 47' 55" E, 106.98 feet to the point of beginning.

THIRD SUPPLEMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
WOODBIDGE TOWNHOMES
(PHASE IV)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, R & S Construction, Ltd., a Colorado Corporation (hereinafter call the “Declarant”), did cause to be recorded a Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes, on June 28, 1981 in Book 3449 beginning at Page 544 (hereinafter called the “Declaration”) and Supplements to the Declaration for Phase II recorded in Book 3541 beginning at Page 484 and for Phase III recorded in Book 3582 beginning at Page 647 (hereinafter called the “Supplements”) of real property records of the County of El Paso, State of Colorado; and

WHEREAS, pursuant to the terms and provisions of Article X of the Declaration, the Declarant expressly reserved the right to expand the Woodbridge Townhomes Project therein described (hereinafter call the “Project) by submitting additional real property and improvements to townhome ownership, thereunder, which expansion could be accomplished pursuant to the terms of the Declaration, without the consent of the Owners of the then existing townhome units within the Project; and

WHEREAS, the Declarant desires (in accordance with the terms and conditions set forth in the Declaration) to expand further the Project by submitting to townhome ownership the real property described in Exhibit “A” attached hereto and incorporated herein by reference and all improvements now or hereafter located thereon (said real property and improvements are hereinafter called the “Added Property”).

NOW, THEREFORE, the Declarant hereby submits the Added Property to the covenants, conditions, restrictions the Added Property shall be held, sold, used, improved, occupied, owned, resided upon, encumbered, hypothecated and conveyed subject to the covenants, conditions,

restrictions and provisions of the Declaration. All of the provisions of the Declaration, the Supplements and this Third Supplement shall run with the land and, as provided in the Declaration, be binding upon and inure to the benefit of any and all parties having any right, title or interest in the Added Property or any part thereof, their heirs, successors, personal representatives and assigns. The Declarant further declares hereby that the covenants, conditions, restrictions and provisions of the Declaration shall apply equally and alike to all Lots, whether located in the Added Property or in the real property originally submitted by the Declaration or subsequently submitted by the Supplements, and to all Owners, Mortgagees and other parties having any interest in such Lots.

The Added Property contains twelve additional Lots (Lots 27 through 32, inclusive, and Lots 51 through 56, inclusive, Woodbridge Townhomes, El Paso County, Colorado) and additional Common Area as shown on the Supplement Plat for Phase IV; therefore, title to the Common Area, whether located within the Added Property or in the real property submitted by the Declaration or by the Supplements is hereby adjusted so that each Owner of a Lot, whether located in the Added Property or in the real property submitted by the Declaration and by the Supplements, shall have an appurtenant, pro rata, undivided one-fiftieth (1/50th) interest in the Common Area for the entire Project. Except for the foregoing adjustment, the covenants, conditions, restrictions and provisions of the Declaration remain in full force and effect as originally set forth, including without limitation the reserved right of the Declarant to further expand the Project as set forth in Article X.

IN WITNESS WHEREOF, the Declarant has executed this Third Supplement to the Declaration this 20th day of September, 1982.

DECLARANT: R & S CONSTRUCTION, LTD.
a Colorado Corporation

Signed by J Thomas Schmidt
J Thomas Schmidt
President

Signed by Larry H Lawrence
Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 20th day of September, 1982, by J Thomas Schmidt and Larry H Lawrence, President and Secretary, respectively, of R & S CONSTRUCTION, LTD., a Colorado Corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC
Address of Notary Public

GATES' CONSENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Gates Land Company, a Colorado Corporation, hereby covenants and agrees to the foregoing Third Supplement to Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes (Phase IV), and Gates Land Company further agrees that the covenants recorded 3442 at Page 38 of the real property records of the Clerk and Recorder of El Paso County, Colorado (the "Interim Covenants"), are hereby released, terminated and revoked by Gates only as to the real property described in Exhibit "A" attached to the foregoing Third Supplement to Declaration. However, this termination shall not affect the Amendment to Deeds of Trust recorded in Book 3449 at Page 539 of the records of El Paso County. Any person or entity acquiring any interest in the property described in said Exhibit "A" by virtue of such deeds of trust shall be subject to the Interim Covenants.

Signed this 20th day of September, 1982.

GATES LAND COMPANY,
A Colorado Corporation

BY: Signed by David K Sunderland
David K Sunderland, President

Signed by D R Davidson
D R Davidson, Assistant Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledge before me this 20th day of September, 1982, by David K Sunderland and D R Davidson, President and Ass't Secretary respectively, of GATES LAND COMPANY, a Colorado Corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC
Address of Notary Public

EXHIBIT "A"

The following real property, to-wit:

PHASE IV

A tract of land located in the Northwest One-Quarter of Section 6, Township 15 South, Range 66 West of the 6th P.M., El Paso County, Colorado, more particularly described as follows: Commencing at the most Easterly corner of Woodbridge Subdivision as recorded in Plat Book N-3 at Page 16 of the records of El Paso County, Colorado (all bearings used in this description are relative to said Woodbridge Subdivision): thence N 19° 47' 47" W along the Easterly boundary line of said Woodbridge Subdivision, 180.00 feet to the Point of Beginning of the tract to be described; thence N 77° 10' 00" W, 122.69 feet; thence N 19° 52' 59" E, 90.00 feet; thence N 31° 13' 00" W, 103.92 feet, thence N 65° 10' 00" E, 256.96 feet to a point on the aforesaid Easterly boundary line; thence S 19° 47' 47" E, along said Easterly boundary line 247.58 feet to the point of beginning.

FIRST AMENDMENT
TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
WOODBIDGE TOWNHOMES

This First Amendment is made as this 23rd day of December, 1982 by R & S CONSTRUCTION, LTD., a Colorado Corporation (“Declarant”).

RECITALS

A. The Declarant recorded that certain Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes in Book 3449 at Page 544 and subsequently re-recorded that Declaration in Book 3469 at Page 801 (the “Declaration”).

B. Article XI, Section 7 of the Declaration provides that the Declarant has reserved the right to make any amendments, without a vote of the owners, as may be required by any primary or secondary lending institutions.

C. A primary lending institution, whose consent is shown below, has required the amendments herein contained.

D. The Declarant desires to exercise its right to amend the Declaration as herein provided.

NOW THEREFORE, the Declarant does hereby amend the Declaration as follows, which covenants, terms, conditions and restrictions shall run with the land, shall be burden upon any person or party acquiring or owning, or encumbering any interest in the real property described in the Declaration, and shall be incorporated into the Declaration as if originally set forth therein:

1. The following is hereby added as Section 18 to Article IV of the Declaration:

Section 18. Inspection of Books and Records. The Association shall make available to Owners and Mortgagees, current copies of the Declaration, By-Laws, other rules governing the Project, the books, records and financial statements of the Association and, free of charge, a copy of an audited financial statement for the immediate preceding fiscal year. “Available” means available for inspection upon request during normal business hours or under other reasonable circumstances.

2. Subparagraph (a) of Section 2, Article III of the Declaration is hereby deleted and in its place is substituted the following:

(a) On March 1, 1986; or

3. The last two sentences of Section 8, Article IV are hereby deleted and in their place are substituted the following:

The monthly installments of the first annual assessment for all Lots located upon the Property shall commence upon the first day of the first month following the first conveyance of any Lot therein from the Declarant to the first Owner thereof. The monthly installments of the annual assessment for all Lots located within any subsequent phase within the Expansion Property shall commence upon the first day of the first month following the first conveyance of any Lot within that phase from the Declarant to the first Owner thereof.

4. The following is hereby added as Section 19 to Article IV of the Declaration:

Section 19. Assessment of Declarant.

Notwithstanding any provision of this Declaration to the contrary, any Lots which are owned by the Declarant and which are leased, rented, or otherwise occupied as a residence shall, commencing on the date of first occupancy thereof and thereafter, be assessed at the same rate as all other Lots. Any Lots which are owned by the Declarant and which are not leased, rented, or otherwise occupied as a residence shall be assessed or charged at a rate equal to twenty-five percent (25%) of the annual and special assessment charge rate for all other Lots; provided, however that in the event the annual assessment and charges due to the Association fail to meet its needs because of such partial assessment of Declarant's Lots, then the Declarant shall, upon written notice from the Association, pay an amount, up to the amount of full assessment, to the Association sufficient to meet any such shortfall; such notice must be given to Declarant within one (1) year after the end of each assessment period and is waived if not made in such timely manner.

5. The Supplements annexing Phases II, III and IV to the Declaration are amended to show that the Declaration has been recorded both in Book 3449 at Page 544 and in Book 3469 at Page 801.

6. Except as amended hereby, the Declaration shall remain unchanged in all other respects and shall remain in full force and effect. This Amendment shall be effective when recorded and shall apply prospectively thereafter.

IN WITNESS WHEREOF, the undersigned has executed this First Amendment to Declaration on the day and year first written above.

R & S CONSTRUCTION, LTD.,
A Colorado Corporation

Signed by J Thomas Schmidt
President

Signed by Larry H Lawrence
Secretary

The foregoing instrument was acknowledged before me this 19th day of December, 1982, by J Thomas Schmidt and Larry H Lawrence, President and Secretary, respectively, of R & S Construction, Ltd.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

LENDER'S CONSENT
TO
FIRST AMENDMENT
TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
WOODBIDGE TOWNHOMES

The foregoing First Amendment to Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes is hereby required and approved by the undersigned lender who holds first deeds of trust upon the lots shown below.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Consent on the day and year shown below.

AMERICAN FEDERAL SAVINGS
AND LOAN ASSOCIATION OF COLORADO

BY: Signed by Steven R Stiles E.V.P.
STEVEN R STILES

Signed by James C Staples
JAMES C STAPLES

Legal Description of Lots Encumbered:

SEE ATTACHED EXHIBIT "A"

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 21st day of December, 1982, by Steven R Stiles as Executive Vice President of American Federal Savings and Loan Association of Colorado.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

2. Covering the Land in the State of Colorado, County of El Paso
Described as:

EXHIBIT "A"

PARCEL I:

A portion of Lot 1, Block 1, WOODBRIDGE SUBDIVISION, more particularly described as follows: COMMENCING at the most Easterly corner of WOODBRIDGE SUBDIVISION as recorded in Plat Book N-3 at Page 16 of the records of El Paso County, Colorado (all bearings used in this description are relative to said WOODBRIDGE SUBDIVISION); thence N 19° 47' 47" W, along the Easterly boundary line of said WOODBRIDGE SUBDIVISION, 427.58 feet to the POINT OF BEGINNING of the tract to be described; thence S 65° 10' 00" W, 216.48 feet; thence N 18° 45' 00" W, 196.62 feet; thence N 67° 00' 00" E, 228.61 feet to a point on the aforesaid Easterly boundary line; (the following 2 courses are along the said Easterly boundary line);
1.) thence S 8° 47' 55" E, 84.95 feet;
2.) thence S 19° 47' 47" E, 106.98 feet to the POINT OF BEGINNING.

PARCEL II:

A portion of Lot 1, Block 1, WOODBRIDGE SUBDIVISION, in the CITY OF COLORADO SPRINGS, more particularly describes as follows: COMMENCING at the most Easterly corner of WOODBRIDGE SUBDIVISION, as recorded in Plat Book N-3 at Page 16 of the records of El Paso County, Colorado (all bearings used in this description are relative to said WOODBRIDGE SUBDIVISION); thence N 19° 47' 47" W, along the Easterly boundary line of said WOODBRIDGE SUBDIVISION, 180.00 feet to the POINT OF BEGINNING of the tract to described; thence S 66° 30' 00" W, 189.92 feet; thence N 77° 10' 00" W, 122.69 feet; thence N 19° 52' 59" E, 90.00 feet; thence N 31° 13' 00" W, 103.92 feet; thence N 65° 10' 00" E, 256.96 feet to a point on the aforesaid Easterly boundary line: thence S 19° 47' 47" E, along said Easterly boundary line 247.58 feet to the POINT OF BEGINNING.

PARCEL III:

A portion of Lot 1, Block 1, WOODBRIDGE SUBDIVISION, in the CITY OF COLORADO SPRINGS, more particularly described as follows: BEGINNING at the most Easterly corner of WOODBRIDGE SUBDIVISION as recorded in Plat Book N-3 at Page 16 of the records of El Paso County, Colorado; (all bearings used in this description are relative to said WOODBRIDGE SUBDIVISION): thence S 51° 32' 39" W, along the Southeasterly boundary line of said WOODBRIDGE SUBDIVISION, 279.50 feet to a point on the Northerly Right-of-Way line of Broadmoor Valley Road as platted in BROADMOOR VALLEY PARK FILING NO. 1, a Subdivision in El Paso County, Colorado: (the following 2 courses are along the said Northerly Right-of-Way line of BROADMOOR VALLEY ROAD);
1.) thence along the arc of a curve to the left, which has a central angle of 31° 39' 40", a radius of 530.00 feet, and an arc length of 292.87 feet (the chord of said curve bears N 54° 17' 11" W); 2.) thence N 70° 07' 01" W, 188.41 feet; thence S 77° 10' 00" E, 122.69 feet; thence N 66° 30' 00" E, 189.92 feet; thence S 19° 47' 47" E, 180.00 feet to the POINT OF BEGINNING.

FOURTH SUPPLEMENT AND
CERTIFICATE OF COMPLETION TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
WOODBIDGE TOWNHOMES
(PHASE V)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, R & S Construction, Ltd., a Colorado Corporation (hereinafter call the “Declarant”), did cause to be recorded a Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes, on June 28th, 1981, in Book 3449 beginning at Page 544 (hereinafter called the “Declaration”) and Supplements to the Declarations for Phase II recorded in Book 3541 beginning at page 484, for Phase III recorded in Book 3582 beginning at Page 647, and for Phase IV recorded in Book 3613 beginning at Page 441 (hereinafter called the “Supplements”) of the real property records of the County of El Paso, State of Colorado; and

WHEREAS, pursuant to the terms and provisions of Article X of the Declaration, the Declarant expressly reserved the right to expand the Woodbridge Townhomes Project therein Described (hereinafter call the “Project”) by submitting additional real property and improvements to townhome ownership thereunder, which expansion could be accomplished pursuant to the terms of the Declaration, without the consent of the Owners of the then existing townhome units within the Project; and

WHEREAS, the Declarant desires (in accordance with the terms and conditions set forth In the Declaration) to expand further the Project by submitting to townhome ownership the real Property described on Exhibit “A” attached hereto and incorporated herein by reference and all Improvements now or hereafter located thereon (said real property and improvements are Hereinafter called the “Added Property”), and

WHEREAS, The Declarant desires to certify, as required by the Declaration, that, upon the recording of this Supplement, the Project is completed.

NOW, THEREFORE, the Declarant hereby submits the Added Property to the covenants, conditions, restrictions, and provisions of the Declaration and further declares that the Added Property shall be held, sold, used, improved, occupied, owned, resided upon, encumbered, hypothecated and conveyed subject to the covenants, conditions, restrictions and provisions of the Declaration. All of the provisions of the Declaration, the Supplements and this Fourth Supplement shall run with the land and, as provided in the Declaration, be binding upon and inure to the benefit of any and all parties having any right, title or interest in the Added Property or any part thereof, their heirs, successors, personal representatives and assigns. The Declarant further declares hereby that the covenants, conditions, restrictions and provisions of the Declaration shall apply equally and alike to all Lots, whether located in the Added Property or in the real property originally submitted by the Declaration or subsequently submitted by the Supplements, and to all Owners, Mortgagees and other parties having any interest in such Lots.

The Added Property contains fourteen additional Lots (Lots 33 through 38, inclusive, and Lots 57 through 64, inclusive, Woodbridge Townhomes, El Paso County, Colorado) and additional Common Area as shown on the Supplement Plat for Phase V; therefore, title to the Common Area, whether located within the Added Property or in the real property submitted by The Declaration or by the Supplements is hereby adjusted so that each Owner of a Lot, whether located in the Added Property or in the real property submitted by the Declaration and by the Supplements, shall have an appurtenant, pro rata, undivided one-sixty-fourth (1/64th) interest in the Common Area for the entire Project. Except for the foregoing adjustment, the covenants, conditions, restrictions and provisions of the Declaration remain in full force and effect as originally set forth.

The Declarant hereby certifies, as required by Section 3 (c), Article X of the Declaration, that, upon the recording of this Supplement, the Project is hereby completed.

IN WITNESS WHEREOF, the Declarant has executed this Fourth Supplement to the Declaration this _____ day of June, 1983.

DECLARANT,
R & S CONSTRUCTION, LTD.
a Colorado corporation
By: Signed by J Thomas Schmidt

Attest:

Larry H Lawrence
Secretary

STATE OF COLORADO
COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this _____ day of June, 1983, by J Thomas Schmidt and Larry H Lawrence, President and Secretary, respectively, of R & S CONSTRUCTION, LTD., a Colorado corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

GATES' CONSENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Gates Lane Company, a Colorado corporation, hereby covenants and agrees to the foregoing Fourth Supplement and Certificate of Completion to the Declaration of Covenants, Conditions and Restriction of Woodbridge Townhomes (Phase V), and Gates Land Company further agrees that the covenants recorded in Book 3442 at Page 38 of the real property records of the Clerk and Recorder of El Paso County, Colorado, (the "Interim Covenants"), are hereby released, terminated and revoked by Gates only as to the real property described in Exhibit "A" attached to the foregoing Fourth Supplement and Certificate of Completion. However, this termination shall not affect the Amendment to Deeds of Trust recorded in Book 3449 at Page 539 of the records of El Paso County. Any person or entity acquiring any interest in the property described in said Exhibit "A" by virtue of such deeds of trust shall be subject to the Interim covenants, but only to the extent provided therein.

SIGNED this 21st day of June, 1983.

GATES LAND COMPANY,
a Colorado corporation

By: Signed by David K Sunderland
David K Sunderland, President

Attest:

Signed by D R Davidson
D R Davidson, Ass't Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 21st day of June, 1983, by David K Sunderland and D R Davidson, President and Ass't Secretary, respectively, of GATES LAND COMPANY, a Colorado corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

EXHIBIT "A"

A tract of land located in the Northwest One-Quarter of Section 6, Township 15 South, Range 66 West of the 6th P.M., El Paso County, Colorado more particularly described as follows: Beginning at the most Easterly corner of Woodbridge Subdivision as recorded in Plat Book N-3 at Page 16 of the records of El Paso County, Colorado; (all bearings used in this description are relative to said Woodbridge Subdivision); thence S 51° 32' 39" W along the Southeasterly boundary line of said Woodbridge Subdivision, 279.50 feet to a point on the Northerly Right-of-Way line of Broadmoor Valley Road as platted in Broadmoor Valley Park Filing No. 1, a subdivision in El Paso County, Colorado; (the following two (2) courses are along the said Northerly Right-of-Way line of Broadmoor Valley Road; 1.) thence along the arc of a curve to the left, which curve has a central angle of 31° 39' 40", a radius of 530.00 feet, and an arc length of 292.87 feet (the chord of said curve bears N 54° 17' 11" W); 2.) thence N 70° 07' 01" W, 188.41 feet; thence N 19° 52' 59" E, 152.04 feet; thence S 70° 07' 01" E, 238.59 feet; thence S 77° 10' 00" E, 122.69 feet; thence N 66° 30' 00" E, 189.92 feet; thence S 19° 47' 47" E, 180.00 feet to the point of beginning and containing 2.645 acres more or less.

SECOND AMENDMENT
TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
WOODBRIIDGE TOWNHOMES

This Second Amendment is made as of this 18th day of May, 1984, by R & S CONSTRUCTION, LTD., a Colorado Corporation (“Declarant”).

RECITALS

A. The Declarant recorded that certain Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes in Book 3449 at Page 544 and subsequently re-recorded that Declaration in Book 3469 at Page 801 (the “Declaration”).

B. Article XI, Section 7 of the Declaration provides that the Declarant has reserved the right to make any amendments, without a vote of the owners, as may be required by any primary or secondary lending institutions.

C. A secondary lending institution, which is the U.S. Department of Housing and Urban Development, has required the amendment herein contained by letter dated April 19, 1984.

D. The Declarant desires to exercise its right to amend the Declaration as herein provided.

NOW THEREFORE, the Declarant does hereby amend the Declaration as follows, which covenants, terms, conditions and restrictions shall run with the land, shall be burden upon any person or party acquiring or owning, or encumbering any interest in the real property described in the Declaration, and shall be incorporated into the Declaration as if originally set forth therein:

1. The following is hereby added as Section 13 to Article XI of the Declarations:

Section 13. Restriction on Association Powers.

Notwithstanding any provision of this Declaration, the Articles of Incorporation, and/or the By-Laws, the Association shall not exercise any of the following powers, which are set forth in Paragraphs (e), (f), and/or (g) of Article V of the Association’s Articles of Incorporation, without the prior consent of two-thirds (2/3) of each class of the Association’s membership:

Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its or personal property as security for money borrowed or debts incurred.

Dedicate, sell or transfer, as provided in the Declaration, all or any part of the Common Area to any public agency, authority or utility for public utilities or other public purposes consistent with the intended use of such Common Area by the Association.

Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes.

2. Except as amended hereby and by the First Amendment, the Declaration shall remain in full force and effect in accordance with its unamended covenants, terms and provisions.

IN WITNESS WHEREOF, the undersigned has executed this Second Amendment to Declaration on the day and year first written above.

R & S CONSTRUCTION, LTD.,
a Colorado Corporation

BY: Signed by J Thomas Schmidt
President

ATTEST:

Signed by Marvin E Korf
Secretary

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 25th day of May, 1984, by J Thomas Schmidt and Marvin E Korf, President and Secretary, respectively, of R & S Construction, Ltd.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC

DIRECTORS' CONSENT ACTION

AMENDING THE BY-LAWS OF THE

WOODBIDGE TOWNHOME OWNERS ASSOCIATION, INC.

Pursuant to Section 7 – 23 – 110 of the Colorado Revised Statutes (1973) and Articles VI and XIV, the undersigned, as all of the Directors of the Woodbridge Townhome Owners Association, Inc., a Colorado nonprofit corporation, take the following actions by their unanimous written consent, in lieu of a formal meeting and waiving all notice:

“RESOLVED, Section 4 of article IV of the By-Laws of the Woodbridge Townhome Owners Association, Inc. is hereby deleted and said By-Laws are hereby amended to add and insert in its place the following:

SECTION 4. Compensation of Directors and Officers. No director or officer shall receive compensation for any service he may render to the association. However, any director or officer may be reimbursed for his actual expenses incurred in the performance of his duties.”

“FURTHER RESOLVED, Section 1 of Article XIV of said By-Laws is hereby deleted and said By-Laws are hereby amended to add and insert in its place the following:

Section 1. These By-Laws may be altered, amended or repealed at any Regular or special meeting by a vote of a majority (i.e. 51 percent) of a quorum of Members present in person or by proxy.”

IN WITNESS WHEREOF, the undersigned Directors have signed this Directors' Consent Action this 18th day of May, 1984.

Signed by Larry Lawrence

Signed by Steve Scott

Signed by J Thomas Schmidt

CERTIFICATE OF TERMINATION
OF CLASS B MEMBERSHIP

KNOW ALL PERSONS:

R & S Construction, Ltd., a Colorado corporation, hereby certifies that its Class B membership under that certain Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes, recorded in Book 3469 at Page 801 of the El Paso County, Colorado records and under the Articles of Incorporation of Woodbridge Townhome Owners Association, Inc., filed May 22, 1981, has ceased and been converted to Class A membership.

DATED this _____ day of _____, 1984.

R & S CONSTRUCTION, LTD.,
a Colorado corporation

Signed by Marvin E Korf
Secretary

By: Signed by J Thomas Schmidt
President

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this 25th day of May, 1984, by J Thomas Schmidt and Marvin E Korf, President and Secretary, respectively, of R & S CONSTRUCTION, LTD., a Colorado corporation.

WITNESS my hand and official seal.

Signed by Notary Public
NOTARY PUBLIC