

DECLARATION
OF
CONDITIONS, COVENANTS, RESTRICTIONS AND EASEMENTS
FOR
EL CAMINO SUBDIVISION, 6TH FILING

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DECLARATION

of

Conditions, Covenants, Restrictions and Easements

for

EL CAMINO SUBDIVISION, 6th FILING

Horizon Communities, Inc., a Colorado Corporation (called the "Declarant" in this Declaration), is the sole owner of property described as follows:

All lots in El Camino Subdivision, 6th Filing according to the plat thereof recorded in Pueblo County, Colorado. This land is called the "Subdivision" and individual lots designated by the recorded plat are called "Lots".

Declarant desires to place protective covenants, conditions, restrictions, reservations, liens and charges upon the Subdivision to protect the Subdivision's quality residential living environment and also to protect its desirability, attractiveness and value. Consequently, the Subdivision is hereby subjected to the following easements, covenants, restrictions and conditions (collectively referred to as "Covenants"), all of which shall run with the Subdivision and shall be binding upon all parties having or acquiring any rights, title or interest in it or any part thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I

COVENANTS TO PRESERVE THE RESIDENTIAL
CHARACTER OF THE SUBDIVISION

Section 101. Property Uses. All Lots and Building Sites in the Subdivision shall be used exclusively for private residential purposes. No dwelling erected or maintained within the Subdivision shall be used or occupied for any purpose other than for a single-family dwelling.

Section 102. Structures. No Structure shall be erected within the Subdivision except single-family dwellings and those Accessory Buildings and Accessory Structures which have been approved by the Approving Authority. No Structure other than a dwelling with an attached garage for a minimum of two cars, no Accessory Building and no trailer, tent or other similar or dissimilar temporary quarters may be used for living purposes. No other Structure may be placed on any Building Site before completion of the dwelling upon such Building Site except with the permission of the Approving Authority.

Section 103. Construction Type. All construction shall be new. No building previously used or constructed at another location nor any building or Structure originally constructed as a mobile dwelling or Structure may be moved onto a Lot or Building Site except as expressly herein-after provided in Section 107 for temporary construction, sales or administration buildings.

Section 104. Storage. No building materials shall be stored on any Lot except temporarily during continuous construction of a building or its alteration or improvement.

Section 105. Completion of Work. A Structure shall not be occupied in the course of original construction until it has been issued a certificate of occupancy by the Pueblo Regional Building Authority. All construction work shall be prosecuted diligently and continuously from the time of commencement until fully completed.

Section 106. Construction Completion. The exterior of all buildings or other Structures must be completed within six months after the commencement of construction except where such completion is impossible or would result in great hardship due to strikes, fires, national emergency or natural calamities. For purposes of this Section 106, "Commencement of Construction" for a single-family dwelling, is defined as the obtaining of necessary building permits and the pouring of a foundation, and for all other Structures, is the undertaking of any visible exterior work. If construction is not completed within six months after commencement, or if construction shall cease for a period of sixty days without permission of the Approving Authority, the Approving Authority will give the Owner thereof Due Notice of such fact, and if construction work on such Structure is not diligently pursued within thirty days after such notice, the unfinished Structure or unfinished portion thereof shall be deemed a nuisance and shall be removed forthwith by and at the cost of the Owner.

Section 107. Construction or Sales Offices. Temporary buildings for construction or administration purposes or for sales offices may be erected or maintained only by Declarant or with the permission of the Approving Authority. Model homes may be used and exhibited only by Declarant or with the permission of the Approving Authority. Temporary buildings permitted for construction or administration purposed or for sales offices shall be promptly removed when they cease to be used for these purposes.

Section 108. Drilling Structures. No derrick or other Structure designed for use in or used for boring or drilling for water, oil or natural gas shall be permitted upon or above the surface of any Lot, nor shall any water, oil, natural gas, petroleum, asphaltum or other hydrocarbon substance be produced from any well located upon, in or under any Lot.

Section 109. Easements. There are hereby reserved to Declarant, its successors and assigns, perpetual, alienable, divisible and releasable easements and the right from time to time to grant such easements to others over, under, in and across each of the five foot strips along and adjoining each rear Lot Line of each Lot, and each of the five foot strips along and adjoining each side Lot Line of each Lot for the use of all or part of such areas for lines for transmission of electric current or impulses or electronic signals, for heat and fuel lines, for water lines, for utility lines, for drainage and for other similar or dissimilar facilities and purposes, and for any one or more of such purposes.

Section 110. Underground Utilities. All utilities except lighting standards and customary service devices for access, control or use of utilities shall be installed underground.

Section 111. Business Uses. No business, profession or other activity conducted for economic gain shall be conducted on or within any Lot or Building Site, except for normal home-based businesses or home offices which cannot be detected for outside the structure and do not involve any signage or create any customer or commercial traffic.

ARTICLE II

DENSITY, SETBACK AND QUALITY STANDARDS

Section 201. Limitation on Dwellings. No more than one dwelling shall be erected or maintained within any Lot or Building Site.

Section 202. Setback Areas. Except with approval of the Approving Authority, no building, porch, eave, overhang, projection or other part of a building shall be located within twenty-five feet of a front Lot Line, within five feet of a side Lot Line, within twenty feet of a rear Lot Line, or within fifteen feet of a side lot line bordering a public street. The Approving Authority's approval may be given only (a) for fireplace projections integral with the building; (b) for eaves and overhangs; and (c) for construction which extends less than five feet into the setback area and which the Approving Authority determines to have only minor impact, to be minor in nature and to be in the interest of the superior design. All construction must also conform to the building code, zoning code and subdivision regulations of the City of Pueblo, which regulations may vary from the provisions of this section and other sections.

Section 203. Dwelling Area Requirements. No dwelling shall be erected which, exclusive of basements below Garden Level, porches, patios, covered but unenclosed areas, garages and any attached Accessory Building, has a Gross Livable Area of less than 1,400 square feet if a single-story dwelling, or less than 1,800 square feet if a multi-story dwelling.

Section 204. Height Restrictions. No dwelling or other Structure shall be more than two stories in height except with the prior written permission of the Approving Authority. Height shall be

measured from the highest original ground contour at any point adjoining the foundation perimeter of the Structure to the highest point on the Structure exclusive of standard chimneys. Original ground contour shall mean the ground contour established during development of the Lots and existing immediately prior to commencement of construction (as defined in Section 106) of any dwelling or other Structure.

Section 205. Roofs. All roof areas shall be of wood shakes, wood shingles, clay or concrete tile, architectural composition shingles (like Tamko's Heritage: "T-Locks" and flat "three-tabs" may not be used.) or other material approved by the Approving Authority.

Section 206. Accessory Buildings. Any Accessory Building or Structure shall be of the same colors and harmonize in materials and appearance with the dwelling situated on the same Lot. Metal buildings shall not be allowed.

Section 207. Roof Projections. No aerial, antenna or microwave system for reception or transmission of radio, television or other electronic signals, or other roof projection, including but not limited to lightning rods and weather vanes, shall be maintained on the roof or any other exterior location of a building or Lot, unless fully screened in a manner approved by the Approving Authority so as not to be visible at ground level from neighboring property or adjoining streets.

Section 208. Owner Maintenance. Each Owner shall maintain the exterior of the dwelling, any Accessory Building and all other Structures, lawns and Landscaping, walks and driveways, in good condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. Exterior building surfaces and trim shall be repainted periodically and before the surfacing becomes weatherbeaten or worn off.

Section 209. Rebuilding or Restoration. Any dwelling or building which may be destroyed in whole or in part by fire, wind storm or from any other cause or act of God must be rebuilt or all debris must be removed and the Lot restored to a sightly condition, such rebuilding or restoration to be completed with reasonable promptness and in any event within six months from the time the damage occurred.

Section 210. Fences. All fences shall be constructed of natural rough cedar wood, masonry or stucco and shall be no more than six feet high. No other material may be used for fences unless previously approved by the Approving Authority. The supporting framework of the fence shall be covered on the side facing outward from the Lot on which constructed. Except with approval of the Approving Authority, no fence or hedge more than two feet high shall be installed closer to an adjoining street than the dwelling or any other building located on the Lot is to the street.

Section 211. Mailbox Stands. All mailbox stands shall have a minimum of 4" x 4" wood post, or as otherwise approved by the Approving Authority.

Section 212. Horizontal Siding. Horizontal siding which is installed on any Structure shall not exceed a lap width of six inches.

ARTICLE III

LIVING ENVIRONMENT STANDARDS

Section 301. Building and Grounds Conditions. Each Owner shall maintain the exterior of the dwelling, any Accessory Building, fence and all other Structures, lawns and Landscaping, walks and driveways, in first class condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. If the Owner fails to properly perform such maintenance, the Approving Authority may, after giving thirty days written notice, effect such repairs and maintenance as it deems necessary in its judgment to maintain the standards of the Subdivision, and may collect its costs in accordance with Section 607.

Section 302. Garage Doors. Garage doors shall be kept closed except when being used to permit ingress and egress to or from the garage.

Section 303. Maintenance Equipment. All maintenance equipment shall be stored in an enclosed Structure or otherwise adequately screened so as not to be visible from neighboring property or adjoining streets.

Section 304. Clotheslines. All outdoor clothes poles, clotheslines and other facilities for drying or airing of clothing or household goods shall be placed or screened by fence or shrubbery so as not to be visible from neighboring property or adjacent streets.

Section 305. Refuse. No unsightly objects or materials, including but not limited to: ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material or other refuse, or receptacles or containers therefor, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street, except during refuse collections. After a period of two weeks of continued violation of this Section 305, the Approving Authority shall have the right to enter upon the Lot involved and remove such unsightly objects or materials at the expense of the Owner. Such an entry shall not be deemed a trespass and the Owner shall be liable for all costs incurred relative thereto.

Section 306. Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No offensive or hazardous activities may be conducted on any Lot or in any living unit or Accessory Building. No annoying lights, sounds or odors shall be permitted to emanate from any living units or Accessory Buildings.

Section 307. Sound Devices. No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes shall be located, used or placed on any Structure or within any Lot.

Section 308. Landscaping. Within six months after completion of a dwelling or within any extension of that period granted by the Approving Authority, all yards and open spaces shall be Landscaped and thereafter maintained in lawn or Landscaping. Unless otherwise approved by the Approving Authority, at least fifty (50%) percent of the front yard area shall be covered with bluegrass lawn or its equivalent. For purposes of this section, the front yard is defined as the area of the Lot between the paved surface of any street adjacent to the Lot and the building setback line on the Lot.

Section 309. Weeds. All yards and open spaces and the entire area of every Lot on which no building has been constructed shall be kept free from plants or weeds infected with noxious insects or plant diseases and from weeds which in the reasonable opinion of the Approving Authority are likely to cause the spread of infection or weeds to neighboring property and free from brush or other growth or trash which in the reasonable opinion of the Approving Authority causes undue danger of fire or an unsightly appearance to the Subdivision.

Section 310. Vacant Lots. In order to effect insect, weed and fire control and to prevent and remove nuisances, the Owner of any Lot upon which a building has not been constructed shall mow, cut, prune, clear and remove from the premises unsightly brush, weeds and other unsightly growth and shall remove any trash which may collect or accumulate on the Lot.

Section 311. Grading Patterns. No material change may be made in the ground level, slope, pitch or drainage patterns of any Lot as fixed by the original finish grading and the Subdivision Grading and Drainage Plan except after first obtaining the prior consent and approval of the Approving Authority. Grading shall be maintained at all times so as to conduct irrigation and surface waters away from buildings and so as to protect foundations and footings from excess moisture. Lots 19 through 24 and Lot 26, Block 46, shall maintain a minimum elevation of 4,974 feet (as established by City of Pueblo bench data) along the Lot Line of the Lot adjacent to open space (the drainage easement and Arkansas Valley Conduit).

Section 312. Transmitters. No electronic or radio transmitter of any kind other than security devices, garage door openers or telephones shall be operated in or on any Structure or Lot, except with approval of the Approving Authority.

Section 313. Animals. No animals except domesticated birds or fish and other small domestic animals permanently confined indoors and except an aggregate of two domesticated dogs or cats shall be maintained in or on any Lot within the Subdivision and then only if kept as pets. No animal of any kind shall be permitted which in the opinion of the Approving Authority makes an unreasonable amount of

noise or odor or is a nuisance. No animals shall be kept, bred or maintained within the Subdivision for any commercial purposes.

Section 314. Trailers, Campers, etc. No boat, trailer, camper (on or off supporting vehicles), tractor, commercial vehicle, mobile home, motor home, any towed trailer unit or truck, excepting only pickups with or without bed toppers and passenger vans for the private use of the residents of a dwelling as primary transportation on a day-to-day basis, shall be parked within any Lot or Building Site except in a completely enclosed Structure such as a garage, or unless screened in a manner approved by the Approving Authority so not more than two feet of the vehicle is visible above the enclosure at ground level from any neighboring property or adjoining street.

Section 315. Unused Vehicles. No unused, stripped down, partially wrecked or junk motor vehicle or part thereof shall be permitted to be parked on any street or on any Lot in such a manner as to be visible at ground level from any neighboring property or street. An unused vehicle shall be any vehicle which is not properly licensed or registered or has remained immobile for more than a week as determined by the Approving Authority.

Section 316. Vehicle Repairs. No maintenance, servicing, repair, dismantling, sanding or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed Structure which screens the sight and sound of the activity from adjoining streets and from neighboring property.

Section 317. Signs. The only signs permitted on any Lot or Structure shall be:

- (a) One sign of customary size for offering of the signed property for sale or for rent;
- (b) One sign of customary size for identification of the occupant and address of any dwelling;
- (c) Multiple signs for sale and administration purposes installed by, or with the permission of Declarant during development;
- (d) Signs as may be necessary to advise of rules and regulations or to caution or warn of danger; and
- (e) Such signs as may be required by law.

Except for permitted signs, there shall not be used or displayed on any Lot or Structure any signs or any banners, streamers, flags, lights or other devices calculated to attract attention in aid of sale or rental. All permitted signs must be professionally painted, lettered and constructed.

ARTICLE IV

ARCHITECTURAL CONTROL

Section 401. Building Approval. No Structure shall be commenced, erected, placed, moved onto a Lot, permitted to remain on any Lot or altered in any way so as to materially change the Lot's previously existing exterior appearance, except in accordance with plans, specifications and other information submitted to the Approving Authority and approved by the Approving Authority no more than one year before start of the construction, alteration or installation. Matters which require the approval of the Approving Authority include but are not limited to: the exterior appearance, material, color, height and location of each Structure, covering, drive, walk and fence, and grading of site. In granting or withholding approval, the Approving Authority shall consider among other things: the adequacy of the materials for their intended use, the harmonization of the external appearance with the surroundings, the proper relation of the Structure or covering to the environment and to surrounding uses, the degree, if any, to which the proposed Structure or covering will cause intrusions of sound, light or other effect on neighboring sites beyond those reasonably to be expected in a quality urban residential area from considerate neighbors.

Section 402. Plans Submissions. All plans, samples and other materials to be submitted to the Approving Authority shall be submitted before construction starts. The minimum scale of these plans shall be one-twentieth inch equals one foot. The plot plan in this minimum scale shall show the location of all buildings, drives, walks, fences and any other Structures. Proposed new contours throughout the Lot and abutting street elevations on all sides shall be shown. Structure plans shall show all exterior elevations, and shall indicate and locate on each elevation the materials to be used and designate each exterior color to be used by means of actual color samples.

Section 403. Approval Process. All action required or permitted to be taken by the Approving Authority shall be in writing and any such written statement shall establish the action of the Approving Authority and shall protect any person relying on the statement. If the Approving Authority does not execute and acknowledge such a statement within sixty days after delivery of all the required materials to the members of the Approving Authority, the materials so delivered shall be deemed approved for the purpose of these Covenants. The Approving Authority may charge reasonable fees to cover expenses incurred in review of plans, samples and materials submitted pursuant to this Declaration, exclusive of reimbursement to the members of the Approving Authority for their services. The Approving Authority shall be entitled to retain one copy of all approved plans as part of its files and records.

Section 404. Variances. The Approving Authority shall have the authority to grant for a Lot or Building Site a variance from the terms of one or more of Sections 106, 202, 203, and 209 subject to terms and conditions which may be fixed by the Approving Authority and

will not be contrary to the interests of the Owners and residents of the Subdivision where, owing to exceptional and extraordinary circumstances, literal enforcement of all of those Sections will result in unnecessary hardship. Following an application for a variance:

(a) The Approving Authority shall within sixty days after the request for the variance is delivered, determine whether to grant or deny the variance. If the Approving Authority fails to act on the request for a variance within sixty days, the variance shall be deemed denied. If a variance affects Sections 202, 203, or 209 above, then the Approving Authority shall call a meeting of Owners of Lots in the Subdivision, to be held at the Approving Authority's principal office, notice of which meeting shall be given to the Owners at least ten days in advance, at which meeting all Owners shall have an opportunity to appear and express their views.

(b) Whether or not anyone appears at the meeting in support of or in opposition to the application for variance, the Approving Authority shall within one week after the meeting either grant or deny the variance.

(c) The Approving Authority shall determine whether or not a variance granted hereunder shall run with the Lot or Building Site for which granted on a case-by-case basis.

(d) If a variance is denied, another application for the same variance for the same Lot or Building Site may not be made for a period of one year.

(e) A variance shall not be granted unless the Approving Authority shall find that all of the following conditions exist:

(i) the variance will not authorize the operation of a use other than private, single-family residential use;

(ii) owing to the exceptional and extra-ordinary circumstances, literal enforcement of the sections above enumerated will result in unnecessary hardship;

(iii) the variance will not substantially or permanently injure the use of other property in the Subdivision;

(iv) the variance will not alter the essential character of the Subdivision;

(v) the variance will not weaken the general purposes of these Covenants;

(vi) the variance will be in harmony with the spirit and purpose of these Covenants; and

(vii) the circumstances leading the applicant to seek a variance are unique to the Lot or Building Site or its Owner, and are not applicable generally to Lots in the Subdivision or their Owners.

ARTICLE V

APPROVING AUTHORITY

Section 501. Composition of the Approving Authority.

Declarant shall act as the Approving Authority until such time as Declarant elects to appoint the committee referred to below. At such time as Declarant chooses, Declarant shall appoint a committee of three individuals, each of whom owns a real property interest in a Lot within the Subdivision, to act as the Approving Authority. Thereafter, whenever a member of the Approving Authority shall resign, die or be unwilling or unqualified to act, the remaining members or remaining member, if only one, shall appoint a successor who owns, or successors who own, a real property interest in a Lot or Lots within the Subdivision as members of the Approving Authority, so as to fill the existing vacancies. Notwithstanding the foregoing, after such time as Declarant appoints a committee to serve as the Approving Authority, or declarant no longer owns any Lots within the Subdivision, or declarant has ceased to exist, a majority of the record Owners of Lots in the Subdivision may, through a duly recorded, written instrument executed by such Owners, change the membership of the Approving Authority, so long as the members of the Approving Authority all own a real property interest in a Lot or Lots within the Subdivision. Any appointment, removal or replacement of residents as members of the Approving Authority shall be by written instrument signed and acknowledged by Declarant or other person or persons above authorized to make appointment, removal or replacement and filed for record with the Clerk and Recorder of the County of Pueblo, State of Colorado.

Section 502. Liability. Members of the Approving Authority shall not be liable to any party whatsoever for any act or omission unless the act or omission is in bad faith and amounts to fraud.

ARTICLE VI

GENERAL PROVISIONS FOR EFFECT OF THE COVENANTS

Section 601. Definitions. The following words and expressions as used in these Covenants have the meanings indicated below unless the context clearly requires another meaning:

(a) Accessory Building. Detached garages or storage buildings, patios, swimming pools, covers, enclosures, dressing rooms or other similar Structures, recreation facilities, separate guest houses without kitchens, separate servants' quarters without kitchens and other buildings customarily used in connection with the single-family residence.

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(b) Building Site. A Lot as established by the recorded plat or the combination of two or more Lots or portions thereof as approved by Declarant and aggregating not less than 7,000 square feet.

(c) These Covenants. This Declaration and the provisions contained in it.

(d) Declarant. Horizon Communities, Inc., a Colorado Corporation, or any person or entity that succeeds to Horizon Communities, Inc.'s interest in the development of the El Camino Master Plan in the City of Pueblo, Colorado.

(e) Due Notice. Written notice delivered in accordance with the requirements of these Covenants at least ten days prior to the action required by the notice.

(f) Garden Level. A level of floor space that has a floor to ceiling height of not less than eight feet and which has a ceiling that is not less than four feet above finished grade and with windows above finished grade.

(g) Gross Livable Area. The enclosed area of the dwelling that is suitable for year-round use (heated and/or air conditioned) including walls, floors, stairways and open areas, expressed in square feet measured from the exterior of the structure. Open areas may be included only if they have a ceiling height of at least 7 feet above the adjacent floor area for that level.

(h) Landscape. The treatment of ground surface with live plant materials, wood chips, crushed stone, decorative rocks or mulch materials, or other decorative surfacing materials approved by the Approving Authority. For purposes of this definition, the word "Landscape" shall include all other forms of the word Landscape, such as Landscaped and Landscaping.

(i) Lot. Each area designated as a Lot in the recorded plats of the Subdivision.

(j) Lot Lines. Front, side and rear Lot Lines shall be the same as defined in the zoning regulations of the City of Pueblo in effect from time to time.

(k) Owner. Person having fee simple legal title to a Lot. If more than one person has such title, all such persons are referred to collectively as "Owner" and shall exercise their rights as an Owner through such one of them as they may designate from time to time.

(l) Structure. Any thing or device other than trees and Landscaping the placement of which upon any Building Site might affect its exterior appearance, including by way of illustration and not limitation, any dwelling, building,

garage, porch, shed, greenhouse, driveway, walk, patio, swimming pool, tennis court, fence, wall, mail-box, outdoor lighting and lawn ornamentation. Structure shall also mean an excavation or fill the volume of which exceeds five cubic yards or any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any Lot or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any Lot.

(m) The Subdivision. The area subdivided as El Camino Subdivision, 6th Filing, according to the plat recorded in the office of the Clerk and Recorder of the County of Pueblo and State of Colorado, together with any additional land subjected to these Covenants pursuant to Section 612 below.

Section 602. Captions. Captions, titles and headings in these Covenants are for convenience only and do not expand or limit the meaning of the section and shall not be taken into account in construing the section.

Section 603. Approving Authority Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent and meaning of any of these Covenants, the Approving Authority shall determine the proper construction of the provision in question and shall set forth in a written instrument duly acknowledged by the Approving Authority and filed for record with the Clerk and Recorder of Pueblo County, the meaning, effect and application of the provision. This definition will thereafter be binding on all parties so long as it is not arbitrary or capricious.

Section 604. Covenants Run with the Land. These Covenants shall run with the land and shall inure to and be binding on each Lot and upon each person or entity hereafter acquiring ownership or any right, title and interest in any Lot in the Subdivision.

Section 605. Covenants are Cumulative. Each of these Covenants is cumulative and independent. Each provision of these Covenants may be construed separately without reference to any other provisions.

Section 606. Waivers. Except as these Covenants may be amended or terminated in the manner hereinafter set forth, they may not be waived, modified or terminated and a failure to enforce shall not constitute a waiver or impair the effectiveness or enforceability of these Covenants. Every person bound by these Covenants is deemed to recognize and agree that it is not the intent of these Covenants to require constant, harsh or literal enforcement of them as a requisite of their continuing vitality and that leniency or neglect in their enforcement shall not in any way invalidate these Covenants or any part of them, nor operate as an impediment to their subsequent enforcement and each such person agrees not to plead as a defense in any civil action to enforce these Covenants that these Covenants have been waived or impaired or otherwise invalidated by a previous failure or neglect to enforce them.

Section 607. Enforcement. The Declarant, Approving Authority and their agents shall have the right to enter upon any Lot in the Subdivision when necessary and shall not be deemed a trespass for the purposes of:

(a) inspection of property to determine compliance with Covenants;

(b) to deliver notification of breach of Covenants; or

(c) upon the failure by an Owner to cure a breach within thirty days of written notification, the Approving Authority may, at its option, make repairs or perform maintenance or otherwise undertake action to cure the breach to restore the appearance of the property involved to a reasonably attractive condition or otherwise bring such property into compliance with the Covenants. In the event Declarant elects to perform maintenance pursuant to this Section 607, Declarant will submit to the Owner or persons responsible for the property upon which or for whose benefit such maintenance was performed, a written statement of the costs incurred by the Declarant in performing the maintenance. These costs shall be paid to the Declarant within thirty days after receipt of such notice. If Declarant's costs have not been paid after expiration of this thirty day period, Declarant may thereafter record a lien against the Lot (including improvements thereon) for all costs (including reasonable attorneys' fees) incurred by Declarant in performing the maintenance and in collecting such costs and foreclosing upon the lien. This lien shall be junior to all other liens or encumbrances of record with respect to the Lot on the date this lien is recorded. This lien may thereafter be foreclosed upon in the manner provided by Colorado law for foreclosing upon real estate mortgages. All sums expended by Declarant in foreclosing the lien and collecting the amounts due Declarant (including reasonable attorneys' fees) shall be additional indebtedness secured by the lien.

These Covenants are for the benefit of the Owners, jointly and severally, and of the Approving Authority and may also be enforced by action for damages, suit for injunction, mandatory and prohibitive, and other relief, and by any other appropriate legal remedy, instituted by one or more Owners, the Approving Authority, or any combination of the two. All costs, including reasonable attorneys' fees, incurred by the Approving Authority in connection with any successful enforcement proceeding initiated by the Approving Authority (along or in combination with Owners) shall be paid by the party determined to have violated the Covenants. Any party exercising its right to enforce these Covenants shall not be required to post any bond as a condition to the granting of any restraining order, temporary or permanent injunction or other order. The rights and remedies for enforcement of these Covenants shall be cumulative, and the exercise of any one or more of such rights and remedies shall not preclude the exercise of any of the others.

Section 608. Duration of Restrictions. Unless sooner terminated as provided in Section 610, the restrictions and other provisions set forth in these Covenants shall remain in force until the year 2022 and shall be automatically renewed for successive periods of ten years unless before the year 2022 or before the end of any ten year extension, there is filed for record with the Clerk and Recorder of Pueblo County an instrument stating that extension is not desired, signed and acknowledged by the Owners of a majority of the Lots in the Subdivision.

Section 609. Amendment and Extensions. From time to time any one section of these Covenants (except Section 109 and Article V) may be amended or a new section may be added to these Covenants by an instrument signed and acknowledged by the Owners of at least two-thirds of the Lots in the Subdivision and filed for record with the Clerk and Recorder of Pueblo County.

Section 610. Termination. All sections of these Covenants (except Section 109) may be terminated at any time, and from time to time any section or sections of these Covenants (except Section 109 and Article V) may be amended or new sections may be added to these Covenants by an instrument signed and acknowledged by the Owners of at least three-fourths of the Lots in the Subdivision and filed for record with the Clerk and Recorder of Pueblo County.

Section 611. Partial Amendments. These Covenants may be amended for only a portion of the Subdivision by a written instrument executed by Declarant and one hundred percent of the then Owners of such portion of the Subdivision if:

- (a) the portion of the Subdivision affected by such amendment contains at least twenty contiguous Lots;
- (b) no improvements have been erected on any such Lots; and
- (c) Declarant reasonably determines that the amendment will not materially adversely affect the general living environment contemplated by these Covenants for the remaining Lots.

Section 612. Additional Areas. From time to time Declarant may include additional areas within the real estate subject to these Covenants. Such additions shall be effected by filing with the Clerk and Recorder of Pueblo County, Colorado, a supplemental declaration, together with a legal description designating the additional area to be included. All areas so added shall be subject to all these Covenants, and any references to the Subdivision in these Covenants shall automatically include such additional areas upon recording the supplemental declaration. Declarant may also impose additional restrictions on areas so added. All areas so added shall be within one-half mile of, and contiguous to, the Subdivision, and the total number of residential Building Sites in the land subject to these Covenants shall not exceed three hundred.

Section 613. Enumerations Inclusive. A designation which describes parcels or other things as from one number, letter or other designation to another includes both such numbers, letters or other designations and all in between.

Section 614. Gender and Number. Whenever the context permits, Owner or Owners shall be deemed to refer equally to persons of both sexes and to corporations and to other entities, singular to include plural and plural to include singular.

Section 615. Severability. If any of these Covenants shall be held invalid or become unenforceable, the other Covenants shall not be affected or impaired but shall remain in full force and effect.

Section 616. Action in Writing. Notices, approval, consents, applications and other action provided for or contemplated by these Covenants shall be in writing and shall be signed on behalf of the party who originates the notice, approval, consent, application or other action.

Section 617. Notices. Any writing described in Section 616, including but not limited to any communication from the Approving Authority to an Owner, shall be sufficiently served if delivered by mail or otherwise:

(a) to the dwelling situate on the Lot owned by that Owner;
or

(b) if there is no dwelling, then to the address furnished by the Owner to the Approving Authority and if the Owner has not furnished an address, then to the most recent address of which the Approving Authority has a record.

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IN WITNESS WHEREOF, the Declarant has executed this Declaration this 14th day of July, 1997.

DECLARANT:

Horizon Communities, Inc.

Attest:

By:

Robert W. Leach
Robert W. Leach
Vice-President

By:

Edward L. Robinson
Edward L. Robinson
President

[CORPORATE SEAL]

STATE OF COLORADO)
) SS.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 14th day of July, 1997 by Edward L. Robinson as President and by Robert W. Leach as Vice President of Horizon Communities, Inc., Declarant.

Witness my hand and official seal.

My commission expires: 8-31-98



Linda M. Kelly
Notary Public

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