

*AMENDED AND CONSOLIDATED  
DECLARATION OF PROTECTIVE COVENANTS  
AND BUILDING RESTRICTIONS  
CRIPPLE CREEK MOUNTAIN ESTATES  
TELLER COUNTY, COLORADO*

This is an amendment of the Declaration of Protective Covenants and Building Restrictions (the "Declarations") for the Cripple Creek Mountain Estates Subdivision in Teller County, Colorado, described as follows:

Cripple Creek Mountain Estates Filing Nos. 1 through 14, and 16 through 23 inclusive; and Cripple Creek Timbers, a re-plat of Cripple Creek Mountain Estates Filing No. 2.

which shall hereafter be referred to as the "Subdivision."

**RECITALS**

A. Golden Cycle Land Corporation, a Colorado corporation, as the owner of the above-described property, recorded a series of protective covenants, declarations and/or building restrictions (hereinafter collectively referred to as the "Declaration") to create and establish certain covenants and restrictions to help maintain the authenticity and natural beauty of the Subdivision for the mutual benefit and enjoyment of purchasers and residents of Lots within the Subdivision;

B. In every case, the Declaration provided that same could be amended by a vote of fifty-one percent (51%) or more of the record owners of the Subdivision;

C. In order to insure that the purposes of the Declaration were carried out, the owners of the Subdivision incorporated the Cripple Creek Mountain Estates Property Owners Association, a non-profit corporation ("Association") organized under the laws of Colorado;

D. The Association, whose address is 4453 Teller County Road #1, Cripple Creek, Colorado 80813, was given the power to administer and enforce the covenants and building restrictions set forth in the Declaration; and

E. The Association, at a properly announced meeting, has now amended the Declarations, according to the procedures in the Declaration, by obtaining a vote of fifty-one percent (51%) or more of the property owners. The property owners (the "Owners") are defined as the record owners of the Lots and are entitled to one vote per Lot.

NOW, THEREFORE, it is hereby declared that all of the Property is and shall be used, held, transferred, sold, conveyed, occupied, developed, and redeveloped subject to the following restrictions and protective covenants, and it is intended that these covenants, conditions, and restrictions will bind and benefit not only the Association and other purchasers, but also their respective successors, heirs, and assigns, and that the Property will be held, used, leased, sold and conveyed subject to the Covenants, Conditions, and Restrictions set forth in this Declaration, which shall run with the land and shall be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, and assigns, and insure to the benefit of each owner thereof, to-wit:

**ARTICLE I  
DEFINITIONS**

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

1.1 Association. The Cripple Creek Mountain Estates Property Owners Association, Inc., a Colorado nonprofit corporation. Unless otherwise required by its Articles or Bylaws, any action of the Association required or permitted by these Covenants will be through its Board of Directors.

1.2 Board of Directors. The board of directors of the Cripple Creek Mountain Estates Property Owner's Association.

1.3 Architectural Control Committee. The Architectural Control Committee, which will be composed of three to five members. All members will be appointed by the Board of Directors and may be removed by same pursuant to Section 3.2 herein.

1.4 Common Area/Common Element. Any areas or property designated as such on a recorded plat of any portion of the Subdivisions known as Cripple Creek Mountain Estates or Cripple Creek Timbers, or by a separate deed which states it is conveying same to the Association as Common Area or Element.

1.5 Covenants. This Amended Declaration, which is intended to consolidate all previously recorded covenants, as well as any subsequent amendments to this document.

1.6 Design Guidelines . Detailed guidelines specifying the architectural, fencing and other considerations for development of Lots in the Subdivision, which will be published by the Architectural Control Committee, subject to Board approval. These Design Guidelines may differ as to already completed dwellings located within different areas of the Subdivision, based upon previous development of said areas under the previous declaration. Existing dwellings shall not be required to conform to these design guidelines, but if said dwellings are modified or are rebuilt for any reason, any new construction shall be subject to the design guidelines.

1.7 First Lien. Any mortgage, deed of trust, contract for purchase or similar document affecting any Lot which serves as security for the payment of money, and which has priority of record over all other recorded encumbrances and liens on the Lot involved, except those governmental liens made superior by statute. A First Lien also means an executory land sales contract wherein the Administrator of Veterans Affairs is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not.

1.8 Improvement. Any action or activity on a Lot which would change the existing exterior appearance of the Lot or any vegetation, structures, buildings or other items located on it.

1.9 Lot. A platted Lot as shown on a recorded plat of any portion of the Subdivision.

1.10 Members. The members of the Association, as defined by the Association's Articles, Bylaws and these Covenants.

1.11 Owner. Any person or entity which holds fee simple legal title to a Lot. If more than one person hold 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.

1.12 Supplemental Covenants. Additional restrictions and conditions which affect portions of the Subdivision and which are recorded pursuant to Sections 6.2 or 6.3 of these Covenants.

## ARTICLE II PROVISIONS TO MAINTAIN THE QUALITY OF LIFE

The quality of life at the Subdivision is affected not only by the natural surroundings and preservation of existing vegetation, but also by the various uses of the land. This Article contains provisions intended to protect the unique natural beauty and vegetation of the Subdivision, and to regulate uses of the land in a harmonious and compatible manner.

### 2.1 GROUNDS

(a) Drainage. All drainage easements shall be kept free and clear of permanent structures, except as authorized by the Architectural Control Committee. A culvert shall be installed by the Owner in any ditch and/or under any private driveway to a Lot where required to provide for proper drainage. Owners should consult with Teller County Building Department regarding these requirements. All changes from existing

drainage channels or patterns must be approved by the committee in order to avoid possible harm to adjoining property.

(b) Wells and Mining. No water, oil or natural gas drilling, development, refining, quarrying or mining operation of any kind shall be permitted within the Subdivision, with the exception of those tanks as may be required for the operation of the duly authorized Water Company, and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted within the Subdivision.

(c) Landscaping. Living trees 8" or more in diameter may not be removed without the written consent of the Architectural Control Committee, which may make exceptions for carefully planned access to property, clearing of building sites or when tree(s) present a hazard or fire danger. Owners are encouraged to remove dead and/or diseased trees and brush from their Lots to avoid wildfires and infestation of beetles and disease, but no clear cutting is allowed. Owners are encouraged to comply with the U.S. Forest Service Guidelines for Fire Safety and the Teller County Land Use Regulations, or comparable laws or regulations. The present recommended fire safety clearance is 30 feet around the dwelling. The All open spaces will be kept free from plants and weeds which, in the reasonable opinion of the Architectural Control Committee, present a danger of spreading to adjacent property. No landscaping on any Common Area may be removed or altered without specific prior approval of the Committee.

(d) Garbage and Trash. No Lot shall be maintained as a dumping ground for trash, rubbish, garbage, or other debris. Ashes, trash, rubbish, garbage, grass or shrub clippings, scrap material or other refuse of any kind shall be kept in covered, waterproof containers, out of public view except on the designated pickup day, and Owners shall secure their containers from animals and elements. No outside burning of wood, leaves trash, garbage or household refuse shall be permitted, except in such places as may be specifically designated and approved for such purpose by the County authorities, and must be burned in compliance with the anti-pollution regulations of all applicable agencies.

(e) Utilities. Except as provided in this Covenant, all utilities installed on any lot (except lighting standards and customary service devices for access, control or use of utilities) shall be installed in accordance with the applicable Teller County and utility standards.

(f) Water. No individual water supply system shall be constructed or allowed in the Subdivision. Water will be provided and distributed in accordance with the Articles of Incorporation and By-laws of the authorized mutual water company (the "Water Company"). Each lot owner shall connect to this service and pay monthly water bills, assessments or dues, if any, necessary for the continuing operation, repair and maintenance of said system. Each lot owner shall maintain, at the lot owner's expense, the water piping to the point of connection with the Water Company. No dwelling shall be constructed within the Subdivision without a water storage tank of not less than nine hundred (900) gallons) or such size as may be required by the Water Company, which shall be connected thereto located within twenty feet of an accessible, all-weather road to permit delivery of potable water. A water connection fee will be charged at the time of connection to the water system.

(g) Tanks. Propane, butane and water storage tanks must conform to State requirements.

(h) Waste. No outside toilet facilities shall be permitted within the Subdivision, with the exception of portable toilet units required during construction. Each Owner shall be solely responsible for the installation, maintenance and approval of the on-site sewage disposal system intended for use on the Lot. The only approved waste disposal system within the subdivision shall be a septic with a dry well or leaching field, which shall not be constructed, developed or altered unless the plans therefore have been approved by the Board and by the Teller County Department of Health. To preserve the integrity of the water supply and the health and welfare of the Subdivision, the placing or dumping of any toxic or hazardous substances, including, without limitation, hazardous chemicals, medical wastes, cleaning materials, paint products and paint containers, gasoline or oil, or any other substance classified as toxic or hazardous by any governmental entity is absolutely prohibited in the Subdivision, whether on the surface or sub-surface or in any body of water flowing through the Subdivision.

(i) Easements. Easements for installation and maintenance of utilities, drainage facilities, roadways and such other purposes incident to development of the property are reserved unto the Association, the water company and all public utility companies for construction, installation and maintenance of any and all utilities, such as underground power, gas lines, sewers, roads, water supply lines, drains, underground telephone and telegraph or the like, which the Board determines are necessary or desirable

for public health and welfare. Such easements and rights-of-way shall be confined to a ten (10) foot width along the common rear of each lot and a ten (10) foot width along every side or along every street, road or highway, unless otherwise designated on the recorded plats. Notwithstanding the foregoing, from and after such time as two or more contiguous lots fronting on the same street are used as a single building site, such contiguous lots shall be deemed to be a single lot for the purpose of determining the "side lot lines." Such easements will be kept open and readily accessible for service and maintenance of utility and drainage facilities.

(j) Setbacks. All buildings erected, placed or allowed to remain on any Lot shall be situated only within that portion of said Lot not restricted from use by easement or right-of-way, and shall not be nearer than 25 feet from any roadway right-of-way line, not nearer than 15 feet from any side lot line and not nearer than 15 feet from any rear lot line.

(a) Residential Use Restrictions. All Lots in the Subdivision shall be used only for residential homes, except that one or more Lots may be used for the erection of a clubhouse, offices, meeting rooms, church, fishing ponds, community center or other similar establishment for the benefit of all Owners as common elements. No structure shall be erected, altered, converted, placed or permitted to remain on any tract other than one new, single dwelling designed for occupancy by a single family and for private use only, a private garage, and such other enclosed and covered outbuildings as are incidental to single family, residential use on the premises, subject to architectural control and the Teller County Codes, as hereinafter set forth. (b) Damaged Buildings. Any exterior damage to a building within the Subdivision shall be repaired or cleaned up within 90 days of notification by the Association.

(c) Building Use Not Permitted. Except as provided below, no shack, tent, garage or like structure, double or single-wide mobile home, camping trailer, or fifth-wheel, motor home, or recreational vehicle shall be occupied or used as a residence, temporarily or permanently, nor shall any temporary structure be occupied as a residence. The only exceptions shall be limited to any period of construction authorized by the Architectural Control Committee, or the following non-traditional frame-built homes, which must be provided, newly constructed, from a manufacturer or dealer:

1. Mobile Home. A structure not meeting the definition of manufactured home as stated in the Colorado Revised Statutes (limited to use in Filing 9).

2. Manufactured Home. A structure transported upon a metal frame that cannot be totally removed when placed upon a permanent foundation without jeopardizing its integrity, provided that the structure is purged and has a red HUD label.

3. Modular Home. A structure that is transported upon a metal frame or flat bed, from same when placed on a permanent foundation, which must meet the other requirements of Article III herein.

(d) Commercial Business Operation. No trade or business or any profession, commercial activity or other activity conducted for gain shall be carried on or within any Lot, except a home office as defined by the Board, may be permitted so long as the operation of the activity is not apparent or detectable by sight, sound or smell, conforms to zoning codes, does not employ more than one person at a time who does not reside on the Lot, does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees or door-to-door solicitation of the residents of the Subdivision, does not involve business activity which is inconsistent with the residential character of the Subdivision, does not constitute a nuisance, or hazardous or offensive use, or threaten the security or safety of the other residents of the Subdivision, as may be determined at the sole discretion of the Board.

(e) Rental Leases. The Owner has the right to lease his dwelling for private, residential living and sleeping purposes, subject to the following conditions:

1. No owner shall lease less than the entire property;

2. All leases shall provide in the terms of the lease that the renter shall abide by the terms of these Covenants;

3. The renter shall be provided a copy of the Rules of the Association and a copy of these Covenants;

4. Renters may join the Association as Associate Members, that is they may participate in activities, etc., but renters shall not have voting rights;

5. The Board may require the Owner to produce a copy of the signed lease, and may require the Owner to enforce the conditions of the lease against the renter; and

6. The Owner shall be responsible for the actions of his tenant.

(f) Animals and Livestock. No animals or livestock of any description, except two horses per Lot (no stallions), and the number of household pets permitted by Teller county Codes, shall be kept within the Subdivision. All household pets will be confined to the Owner's Lot, or will at all times be under the direct control of the Lot's occupant when in other areas. Pets and domestic animals shall not be used for any commercial purposes and shall not be kept in such numbers as to cause a nuisance to other owners in the Subdivision. No other animals or poultry of any kind shall be bred, raised, or kept. Any dog, cat, or other animal which barks, howls, or makes other noises so as to disturb neighbor(s) to a degree which is a persistent threat or annoyance shall be prohibited and the Owner may be approached by the Association for remedy and may be reported to the County for Code Enforcement. Repeated offenses will not be tolerated, and the Board may levy reasonable fines, after notices and opportunity to be heard, upon the Owners and the animal's Owner, or to take measures to mitigate or eliminate the problem, including removing the pet from the Subdivision. Owners shall control their pets, and shall be responsible for their pets' damage or behavior.

(g) Objectionable Activity. No noxious, offensive, or illegal trade or activities shall be permitted within the Subdivision, nor shall anything be done that shall be or become an unreasonable annoyance, hazard or nuisance to the neighborhood. This includes, but is not limited to:

1. No Lot shall be maintained in an unsightly condition. No noxious, hazardous or offense activity shall be carried on upon any Lot or home site, nor anything done thereon tending to cause embarrassment, discomfort, annoyance or nuisance. This shall include barking dogs. No annoying lights, sounds, or odors shall emanate from any Lot or home site.

2. No building or operation shall be conducted within the Subdivision which shall give off, discharge or emit any obnoxious noises, fumes, odors, glare, vibrations or otherwise be offensive to or injure the public health.

3. No hunting, target practice, or discharge of firearms, to include bow and arrow, shall be permitted within the Subdivision, with the exception of use for protection of self or property. Violation of this prohibition shall be considered as an endangerment to life and public safety.

4. No open fires shall be permitted on any Lot within the Subdivision. Lots may be used for camping by the property owner for no longer than 14 days in a calendar year without prior approval, subject to the Board of Director's rules and regulations which are on file at the Association Office.

5. No signs, advertising or billboards shall be erected, placed, or permitted within the Subdivision without written permission of the Board. This does not apply to any reasonable sign in connection with the sale of property within the Subdivision, provided, however, that any such signs shall be free standing and under no circumstances be affixed to trees; sign size shall not exceed 2' x 2' in dimension; and such signs shall be neat, attractive and blend with natural surroundings.

6. Visible storage of abandoned or junk vehicles (or any sizeable part), unused appliances, bathroom fixtures, water heaters, and similar items shall not be permitted within the Subdivision, except in fully enclosed areas where they are not visible from any adjacent property or street. An abandoned or junk vehicle shall be defined as any unregistered or inoperable licensed auto, truck, motorcycle, motor home, or other similar vehicle, or any vehicle which is used for storage purposes, which is not garaged and has not been moved for 30 days or longer. No vehicles, recreational vehicles, boats, trailers, campers or vehicular equipment shall be habitually parked along (or less than 25 feet) from any public road. Semi-trailers may only be parked or stored in the subdivision for no more than seven (7) days.

7. No materials shall be transported to, from or within the Subdivision in such a way as to create a nuisance or hazard. Permission must be obtained from the Board before dangerous or loose materials may be transported. Storage, use or disposal of hazardous or radioactive material within the Subdivision

is prohibited, unless specifically approved by the Board. Any continued or intensive use of pesticides or herbicides is deemed to be a use of hazardous materials.

All nuisances (including the eight above-described nuisances) may be removed by the Association, if not removed within ten (10) days of notification, and removal costs shall be jointly and severally charged to the Owner, lessee and occupant of said Lot.

### 2.3 CONSTRUCTION.

(a) Commencing and Finishing Construction Once construction of an Improvement is commenced on any Lot, it must be diligently continued and completed in accordance with properly approved plans and specifications within twelve (12) months of commencement, or such other time as the Architectural Control Committee may reasonably determine is required due to the nature of the project or other factors. Commencement of construction occurs with the first substantial construction activity (including earthwork), and in any event will be deemed to have occurred when any portion of the foundation is poured.

(b) Construction Standards and Procedure. The Architectural Control Committee shall develop, publish and periodically amend Design Standards governing approval of building plans and construction procedure in the Subdivision. Said Design Standards shall include the following:

1. Construction must commence within one year of the date of said committee's notice of approval of final plans and must comply with the Board's rules.

2. Said committee may grant permission for a temporary structure for storage of materials or other uses as may be desirable during construction.

3. Once construction has begun, the Owner or construction company shall provide a portable toilet for workers at the site until sanitary facilities have been connected within the building under construction.

4. Owner and/or construction company must provide a dumpster for disposal of construction debris, trash, refuse, etc., during the construction of the building, and will remove all construction debris via the dumpster once the project is completed.

5. The minimum required square footage for any new residence, exclusive of open porches, decks and garages, shall be no less than 1200 square feet of above grade heated living space. The Board of Directors shall be authorized to grant a variance of no greater than twenty percent (20%) of the required square footage in accordance with Section 3.6 herein.

6. Building exteriors shall be painted/stained, covered or sided in natural or earth tone colors of low reflectivity (*i.e.*, natural wood, browns, earth reds, tans, or dark greens) that blend with the surrounding area. White and/or galvanized reflective roofs shall not be permitted. Owner shall submit paint chip samples to the said committee prior to application of exterior finish.

7. Except as may be specifically approved by the Architectural Control Committee, all structures constructed or placed on any Lot shall be constructed with new material, and no used structures may be relocated or placed on any Lot. Exterior materials shall be materials that harmonize with the natural landscape and will withstand the climatic changes, and may include wood, stone, brick, aluminum siding and stucco. Galvanized metal siding is not allowed in the Subdivision.

8. The Architectural Control Committee must approve all fencing. Wood fences or masonry walls, if any, shall be compatible with the exterior materials used for the dwelling. No galvanized metal or barbed wire fencing shall be permitted, except chain link may be used for a dog run enclosure.

2.4 MAINTENANCE. In order to keep the Subdivision in attractive, quality environment, each Owner shall maintain the exterior of any Improvements, including buildings and grounds.

## ARTICLE III ENVIRONMENTAL CONTROL

\_\_\_\_\_The purpose of the Design Standards and the Architectural Control Committee's review of construction plans is not to develop a look-alike community, but to ensure that designs are compatible to the unique sites and the character of the Subdivision. The environmental control provisions contained in this Article attempt to achieve these goals.

3.1 BUILDING APPROVAL. No Improvement or 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 previously existing exterior appearances of the Lot and its Improvements, except in accordance with plans, specifications and other information submitted to the Architectural Control Committee and approved by said committee no more than one year before start of the construction, alteration or installation.

3.2 ARCHITECTURAL CONTROL COMMITTEE MEMBERSHIP. The Board shall appoint a three to five member committee of Owners and/or Board members with a minimum of three signatures required for approval of any submitted architectural plans. Neither the members of said Architectural Control Committee nor a designated representative shall be entitled to compensation for services performed as a member of said committee. The Architectural Control Committee shall serve under the Board Rules and Regulations and any person adversely affected by said committee's decision may appeal to the Board pursuant to Rules and Regulations.

3.3 SUBMITTAL REQUIREMENTS. No structures or Improvements of any kind shall be erected, altered, placed or maintained within the Subdivision unless and until the final plans, elevations and specifications have received such written approval as is required by these Covenants. All Improvements must be constructed in accordance with the final plans previously approved. Any material changes or modifications to these plans must also be approved by the Architectural Control Committee. All plans must comply with the submittal standards and procedures contained in the applicable Design Guidelines, which shall include the following:

- (a) Association and Water Company dues must be paid in full prior to filing plans;
- (b) Two copies of plans or specifications must be submitted to the Architectural Control Committee at the office of the Association by hand delivery or certified mail;
- (c) The applicant shall submit to said committee two complete sets of the final plans and specifications. All such final plans shall include plot plans showing the location on the Lot of all Improvements proposed to be constructed or placed on the Lot, and shall further include elevations and square footage, together with proposed color schemes and type of roof and exteriors thereof, indicating the materials for same; and
- (d) The building plans must be approved by the Teller County Building Department and by the Architectural Control Committee.

3.4 APPROVAL STANDARDS.

(a) General. In granting or withholding approval, the Committee 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 to the structure or covering to the approved building area on the Lot, the environment and the surrounding uses, the minimization of disturbance to slopes and natural vegetation, and 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 area from considerate neighbors. The Design Guidelines for each area of the Subdivision may contain additional approval standards applicable to the areas involved. Said committee shall have the right to disapprove any plans, specifications or details submitted to it if it determines the proposed Improvement is not consistent with the above standards; if the plans and specifications submitted are incomplete; or if said committee deems the plans, specifications or details, or any part thereof, to be contrary to the interest, welfare or rights of all or any part of the Subdivision, or the Owners thereof.

(b) Miscellaneous Structures. The Architectural Control Committee shall have the authority to establish regulations as to the materials, height and size requirements for all other types of outbuildings and structures, including fences, walls, copings, etc.

3.5 APPROVAL PROCESS. The Architectural Control Committee shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt of the two complete set of final plans and specifications. One set of these plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the person submitting them and the other copy thereof shall be retained by the said committee. In the event that said committee shall fail to approve or disapprove the plans, specifications and other information within the applicable time after actual receipt thereof by said committee, then such approval shall be considered granted, provided, however, that notwithstanding the approval of the plans, no structure, building, or other improvement shall be installed, erected, painted, textured, altered, or, modified that violates any of the restrictions contained in the recorded Covenants.

3.6 VARIANCES. Except as specifically limited in Section 2.3 herein, the Board of Directors shall have the authority to grant for a Lot or building site a variance from the terms of one or more of the sections of these Covenants, subject to terms and conditions which may be fixed by the Board and will not be contrary to the interests of the Owners and residents of the area involved, where, owing to exceptional and extraordinary circumstances, literal enforcement sections will result in unnecessary hardship. The following provisions apply to an application for a variance:

(a) Time to Act. The Board of Directors shall, within thirty (30) days after the request for the variance is delivered, determine whether to grant or deny the variance. If the Board fails to act on the request for a variance within this thirty (30) day period, the variance will be deemed denied.

(b) Effect of Variance. A variance granted hereunder shall run with the Lot or building site for which it is granted.

(c) Denial. If a variance is denied, another application for a similar variance for the same lot or building site may not be made for a period of one year after submittal of the original request. Except if the board fails to act upon the request within 30 days.

3.7 INSPECTION OF CONSTRUCTION. The Architectural Control Committee reserves the right to inspect the progress of building construction of said buildings. If deviations from the approved plans are noted during the inspection, said committee may require submission of amended plans for approval or may require the Owner to correct the unapproved changes to conform to the approved plans.

3.8 LIABILITY OF THE COMMITTEE. Neither the Association, the Architectural Control Committee, or any architect, engineer, or agent thereof, shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, or for any structural or other defects in any work done according to such plans and specifications, nor shall any member thereof be liable to the Association or to any owner for any damages, loss, or prejudice suffered or claimed on account of:

(a) The approval or disapproval of any plans, drawings, and specifications, whether or not defective;  
(b) The construction or performance of improvements, whether or not pursuant to approved plans, drawings, and specifications; or

(c) The development or manner of development of any property within the Subdivision. Without in any way limiting the generality of the foregoing, the Architectural Control Committee, the Board, or any member thereof, may, but is not required to, consult with or hear any Owner with respect to any plans, drawings, or specifications, or any other proposal submitted to it.

ARTICLE IV  
CRIPPLE CREEK MOUNTAIN ESTATES PROPERTY OWNERS' ASSOCIATION, INC.

\_\_\_\_\_The Cripple Creek Mountain Estates Property Owners' Association, Inc. is a Colorado nonprofit corporation which is organized for the benefit of the residents and Owners of property within the Subdivision to promote community welfare, strengthen and enhance property values and operate and be responsible for certain of the common areas.

4.1 MEMBERSHIP IN THE ASSOCIATION. Every person acquiring legal or equitable title to any Lot shall automatically be a Member of the Association, subject to the requirements imposed by these Covenants and the Articles, Bylaws, rules and regulations of the Association. The provisions of this section 4.1 will not apply to any persons who hold an interest in any Lot solely as security for the



performance of an obligation to pay money, such as mortgages, deeds of trust or real estate purchase contracts. However, if any such person should, through foreclosure or otherwise, become the equitable or real Owner of the Lot, he will then be subject to all provisions of these Covenants.

4.2 VOTING RIGHTS. Members will have one vote per Lot provided, however, that said owner(s)' membership is in good standing in accordance with Section 4.5 below.

4.3 POWERS AND DUTIES. The Association will have the powers and duties set forth in its Articles, By-laws, Rules and Regulations, including the power to assess its Members, and the duty to own, operate and maintain open space, drainage facilities, recreational facilities and provide such other community services as it determines advisable, together with all other powers necessary or convenient for the efficient performance of these functions.

4.4 ASSESSMENTS.

(a) Owners, by acceptance of any deed for property within the Subdivision, whether or not it shall be so expressed therein, or by acceptance of any other conveyance thereof (except a conveyance in connection with the establishment of a mortgage) shall be deemed to covenant and agree to pay to the Association: (1) annual assessments; (2) special assessments for capital improvements or maintenance unforeseen thereof as outlined in the Bylaws of the Association. The annual assessments shall be levied on an annual basis as outlined in said Bylaws, and a special assessment may be levied from time to time when and as determined by the Board of Directors of the Association in accordance with Articles VIII and XII of said by-laws.

(b) All the assessments described above, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made, subject to foreclosure in accordance with applicable law, but any such lien shall be subordinate to any valid mortgages or deeds of trust affecting such property. Each assessment, together with such interest thereon and costs of collection thereof shall also be the personal obligation of the person or persons who are the Owner(s) of such property at the time when the assessment falls due, and in the event that there is more than one Owner thereof, such obligations shall be joint and several.

(c) If an assessment is not paid on the date when due, then such assessment shall become delinquent and shall become a continuing lien on the property of the then Owner, his heirs, devisees, personal representatives, successors and assign. The Association is hereby authorized to record a notice of lien in the real property records for Teller County, Colorado, against any lot for which dues remain delinquent. In addition to the lien rights, it shall be the personal obligation of the Owner to pay such assessment and such personal obligation shall continue against the Owner even though the Owner's interest in the property shall be transferred.

(d) If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date, at the rate of eighteen percent (18%) per annum, and the Association may bring legal action against the Owner personally obligated to pay the same, or foreclose the lien against the property and there shall be added to the amount of such assessment all costs incurred by the Association in foreclosing the lien or in collecting the amount owing, including any reasonable attorneys' fees.

(e) The lien for unpaid Association assessments shall be junior and subordinate to any properly recorded First Lien on any portion of the Subdivision. However, all assessments coming due after any holder of a First Lien acquired actual or equitable ownership of the Lot involved will constitute an obligation of the Owner of the Lot involved, and will constitute a lien on the Lot superior to such First Lien. The lien for Association assessments shall be superior to any homestead exemption as may now or hereafter be provided by Colorado and federal law, and the acceptance of a deed to any Lot shall constitute a waive of the homestead exemption for these purposes. No sale or transfer will relieve any Lot or its Owner from liability for any assessments or liens except that foreclosure of a First Lien will extinguish all liens on the Lots involved on account of assessments coming due prior to the transfer of legal or equitable ownership pursuant to such foreclosure.

4.5 SUSPENSION OF VOTING RIGHTS. The Association shall have the right to suspend voting rights (if any) and the right to the use of the recreational facilities of any Member if any charge owed remains

unpaid; or for any continuing violation of these Covenants, after the existence of the violation has been brought to the attention of the Member in writing by the Association.

4.6 NOTICE OF MORTGAGEE OF DEFAULT. Upon written request, the holder of a First Lien shall be entitled to written notification from the Association of any default in the performance by the Owner of any obligation under these Covenants and/or the Bylaws of the Association which is not cured within 60 days.

4.7. RULES AND REGULATIONS. The Board may adopt Rules and Regulations to implement, define, and set forth the architectural and other provisions of these Covenants. All Owners, residents and users of the Subdivision shall comply with the Rules and Regulations. The Board's decisions under the Covenants and Rules and Regulations shall be final, conclusive, binding, and non-appeal able, unless made in bad faith and wanton and willful.

#### ARTICLE V ENFORCEMENT

The Owners of record of Lots within the Subdivision and the Association are hereby designated as the only legal entities to enforce the above duly recorded Covenants of the Association. The restrictions and protective covenants set forth herein are accepted by every Owner, grantee, purchaser, renter and user of Lots within the Subdivision, and they agree to conform to and observe these covenants, and each Owner is responsible for the actions of their tenants or occupants of any Lot

#### 5.1 RIGHT TO CURE.

(a) Notice and Cure Rights. If there is any violation of the provisions of these Covenants which is not cured within 30 days after either aggrieved Owner of record or the Association has given notice of the violation to the Owner of the Lot or Lots involved, either the Association or the aggrieved Owner shall thereafter have the right, but not the obligation, to undertake whatever actions are reasonably necessary to remedy such violation and shall have the right to enter any portion of the Subdivision for purposes of doing so. The party performing such action shall not be liable for any losses, costs or damages to any tenant or Owner of any Lot on account of its performance of such action except for any such loss, cost or damage caused by the party's gross negligence or willful misconduct.

(b) Repayment. If the aggrieved Owner or the Association performs any work to cure a violation under section 5.1(a), the Association will submit to the Owner of the Lot or Lots upon which or for whose benefit such work was performed a written statement of the reasonable costs incurred by aggrieved Owner or the Association in performing the work and each Lot's share of these costs (if more than one Lot is involved). These costs shall be a personal obligation of the Owner involved and will be paid to the Association within 20 days after receipt of such notice. If the work was performed by the aggrieved Owner, the Association may reimburse the aggrieved Owner for its costs expended out of any funds recovered from the involved Owner. If any such costs or assessments have not been paid after expiration of this 20-day period, the Association may thereafter record a lien against the Lot or Lots involved in the amount of all such costs or assessments, together with all related costs incurred by the Association in collecting such costs and assessments (including reasonable attorneys' fees), in accordance with Section 4.4 herein.

(c) Fines. In addition to subsections (a) and (b) above, if there is any violation of the provisions of these Covenants which is not cured within 30 days after the Association has given notice of the violation to the Owner of the Lot or Lots involved, the Association shall thereafter have the right, but not the obligation, to impose reasonable fines upon any person or persons determined by the Board, in its reasonable discretion, who have violated the recorded Covenants, the By-laws, or the Rules and Regulations of the Association; such fines may be levied and collected, pursuant to the Colorado Common Interest Ownership Act and other law and statute, after the alleged violator is given notice and an opportunity to be heard before the Board. The Association shall adopt a fine schedule and publish said schedule to Owners subject to these Covenants. Fines will be assessed starting at \$50.00, and may be included as part of an assessment lien pursuant to Section 4.4 herein.

5.2 NOTICES. 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, applications or other action. Any such writing, including, but not limited to, any communication from the Architectural Control Committee or the Association 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, if such dwelling is regularly occupied by its Owner; or (b) if there is no such dwelling, then to the address furnished by the Owner to the Board, and if the Owner has not furnished an address, then to the most recent address of which the Association has a record. Notices to the Association will be deemed delivered upon actual receipt by the party involved.

5.3 REMEDIES. As violations of these Covenants will not be adequately compensated for by remedies at law, the Association or any Owner or tenant of a Lot shall have the right to obtain from any court of competent jurisdiction injunctive relief against any Owner or tenant of any portion of the Subdivision, or any of their agents, contractors or assigns, enjoining any activity which is in violation of these Covenants. If any such action is brought by the Association, it shall not be required to post any bond as a condition to the granting of any such injunctive relief (including a preliminary injunction or temporary restraining order), nor shall the Association's right to such injunctive relief be affected by any arbitration provisions in any contract executed by such Owner, tenant or their agents. All rights and remedies set forth hereinabove shall be in addition to, and not in lieu of, any other rights and remedies which any party may have in the event of a violation of these Covenants, 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. If the Association prevails in any dispute or litigation involving enforcement of these Covenants, all reasonable costs incurred by them (including expert witness fees and attorneys' fees) shall be awarded as additional damages, and they shall also be entitled to recover all such additional costs incurred in enforcing or collecting any judgment rendered. If such costs are not paid within 30 days after they become due, they shall become an additional assessment against the Lot or Lots involved, shall be immediately due and payable and may be collected as provided by section 4.4 of these Covenants.

5.4 ASSOCIATION RESOLVES QUESTIONS. If any doubt or questions shall arise concerning the true intent or meaning of any of these Covenants, the Association shall determine the proper construction of the provision in question and shall set forth in written instrument duly acknowledged by the Association and filed for record with the Clerk and Recorder of Teller County, Colorado, 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.

5.5 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 or interest in any Lot or any portion of the Subdivision.

5.6 COVENANTS ARE CUMULATIVE. Each of these Covenants is cumulative and independent and is to be construed without reference to any other provisions 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.

5.7 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 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.

## ARTICLE VI GENERAL PROVISIONS

6.1 DURATION. Unless sooner terminated, 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 Teller County, Colorado an instrument stating that extension is not desired, signed and acknowledged by the Owners of a majority of the Lots within the Subdivision.

6.2 AMENDMENT AND EXTENSIONS. From time to time any one section of these Covenants may be amended or a new section may be added to these Covenants by an instrument signed and acknowledged by the holders of at least fifty-one percent (51%) of the votes of Members of the Association (as defined in Section 4.2 above), and filed for record with the Clerk and Recorder of Teller County, Colorado. Any owner who desires to call an election for the purpose of amending or suspending all or any part of these Covenants, in accordance with the foregoing provisions, shall request such election by written notice to the Association and all record owners of lots or tracts within the Subdivision at least four months before the election is to be held.

6.3 EARLY TERMINATION . All sections of these Covenants may be terminated at any time by an instrument signed and acknowledged by the holders of at least three-fourths of the votes of Members of the Association. Any such termination will be filed for record with the Clerk and Recorder of Teller County, Colorado.

6.4 EFFECT OF AMENDMENTS OF FIRST LIENS . No amendment of these Covenants will in any way affect the priority of any First Lien except upon the express written consent of the holder of the First Lien; however, upon the holder of a First Lien acquiring actual or equitable ownership of the Lot involved, that Lot will be fully subject to any such amendment.

6.5 LIABILITY AND INDEMNITY OF EMPLOYEES. No member of the Committee, nor any officer or director of the Association, or any of their employees or agents, shall be personally liable to the Association, its Members or any other person, for any act or omission taken pursuant to the covenants, unless said act or omission is the result of bad faith, fraud or willful misconduct, or cannot be excluded by virtue of the Colorado Revised Non-Profit Corporation Act.

6.7 INDEMNITY. Each Officer, Director, Committee Member, and Volunteer of the Association, now or hereinafter serving in any such capacity, shall be indemnified by the Association against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served in any capacity or by reason of any action alleged to have been taken, omitted or neglected by him or her in any such capacity, to the fullest extent allowable by law and statute, including without limitation, Colorado Revised Nonprofit Corporation Act and C.R.S. § 7-22-101.5. The right of indemnification herein provided shall not be exclusive of any rights to which any Director, Officer, Committee Member and Volunteer of the Association, may be otherwise entitled by law or statute, provided however, this indemnification shall not reduce or impair any insurance coverage.

6.8 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.

6.9 CAPTIONS. The captions used herein are used for convenience only and are not intended to be a part of this Amendment or in any way to define, limit, or describe the scope and intent of the particular article or section to which they refer.

IN WITNESS WHEREOF, the Association has caused its corporate name to be hereunto subscribed by its President and Board of Directors.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

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Kenneth E. Poncelow, President

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Don Herndon, Vice President

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David Atkins, Secretary/Treasurer

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Judy Anderson, Director

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Susan Commeford, Director

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Dale Finney, Director

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Joe Weiner, Director