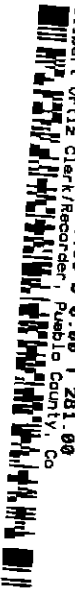


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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS FOR
WALKING STICK VISTA**

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**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS FOR
WALKING STICK VISTA**

This Declaration of Covenants, Conditions, Restrictions, and Easements for Walking Stick Vista (this "Declaration") is made this 16th day of April, 2010, by Encore Communities USA, LLP ("Declarant"), to govern the real property located in Pueblo County, Colorado, which it owns, as described on the attached Exhibit 1 (the "Property"), and which comprises a master planned community known as "Walking Stick Vista."

ARTICLE I
STATEMENT AND PURPOSE AND IMPOSITION OF COVENANTS

Section 1.1. Imposition of Covenants. Declarant hereby makes, declares, and establishes the following covenants, conditions, restrictions, and easements (collectively, these "Covenants") which shall affect all of the Property. From this day forward, the Property shall constitute a master planned community known as "Walking Stick Vista" under the Colorado Common Interest Ownership Act, and be held, sold and conveyed subject to these Covenants. The master planned community of Walking Stick Vista will include in turn a number of smaller planned communities, each of which is referred to as a Project (and more fully defined below). These Covenants shall run with the land and shall be binding upon all persons or entities having any right, title, or interest in all or any part of the Property (including Declarant) and their heirs, successors, and assigns, and their tenants, employees, guests, and invitees. These Covenants shall inure to the benefit of each owner of the Property.

Section 1.2. Declarant's Intent. The purpose of Declarant in making this Declaration is to create a master planned community known as Walking Stick Vista on the Property in accordance with the Colorado Common Interest Ownership Act, Colo. Rev. Stat. § 38-33.3-101 through § 38-33.3-319, as amended and supplemented from time to time. Declarant intends to provide for the operation, administration, use, and maintenance of the Common Area (defined below) and other areas within the Property; to preserve, protect, and enhance the values and amenities of the Property; and to promote the health, safety, and welfare of the Members of the Master Association (both defined below) that is established pursuant to this Declaration.

Section 1.3. Right to Expand and Establish Other Communities. Declarant also reserves the right, but shall not be obligated, to incorporate additional property (the "Expansion Property" defined below), in the regime established under this Declaration, all as provided in Article XV below, so that the Expansion Property if and when developed, shall be treated as an integral part of the single master planned community of Walking Stick Vista.

Declarant expressly reserves the right to establish other master planned communities governed by other associations of the property owners in those communities.

Section 1.4. Development and Use. Upon completion, Walking Stick Vista shall consist of a maximum of eight-hundred and four (804) Lots (defined below) for residential use. No Lots in excess of that number may be established on the Property or the Expansion Property by the subdivision of existing Lots or by time share or any other method.

In addition, the master planned community of Walking Stick Vista may include properties zoned and developed for other non-commercial uses not subject to regulation under the Colorado Common Interest Ownership Act.

ARTICLE II
DEFINITIONS

The following terms, as used in this Declaration, are defined as follows:

Section 2.1. "Act" shall mean the Colorado Common Interest Ownership Act, Colo. Rev. Stat. § 38-33.3-101 through § 38-33.3-319, as amended and supplemented from time to time, or any successor legislation to these statutes.

Section 2.2. "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Master Association which have been filed with the Secretary of State of Colorado to create Walking Stick Vista Master Association, as such Articles may be amended from time to time.

Section 2.3. "Annual Assessments" shall mean the Assessments levied annually pursuant to Section 8.3.

Section 2.3. "Approved Builder" shall mean a contractor that meets all of the following requirements: (i) a contractor licensed in the City and County of Pueblo; (ii) one who has been designated in writing as an Approved Builder by Declarant or the DRC; and (iii) one who has submitted to, and obtained approval from the Declarant or DRC of general plans and specifications for such residential dwelling units.

Section 2.4. "Assessments" shall mean the Annual, Special, and Default Assessments levied pursuant to Article VIII below to meet the estimated cash requirements of the Master Association.

Section 2.5. "Board of Directors" or "Board" shall mean the Board of Directors of the Master Association, which is the executive board, as defined in the Act, designated in this Declaration to act on behalf of the Master Association.

Section 2.6. "Bylaws" shall mean the bylaws of the Master Association, which establish the methods and procedures for operations; as such bylaws may be amended from time to time.

Section 2.7. "Common Area" shall mean the real property described on the attached Exhibit 2 and any other property in which the Master Association owns an interest for the common use, benefit and enjoyment of some or all of the Members and such other persons as may be permitted to use the Common Area under the terms of this Declaration or any contract with the Master Association. Such interests owned by the Master Association may include, without limitation, estate in fee, for terms of years, or easements.

Section 2.8. "Common Expense" means (i) premiums for the insurance carried by the Master Association under Article XI; (ii) all other expenses incurred by the Master Association in administering, servicing, conserving, managing, maintaining, repairing, or replacing the Common Area and any Improvements located on it; (iii) all expenses expressly declared to be Common Expenses by the Walking Stick Vista Documents; (iv) all expenses lawfully determined to be Common Expenses by the Board of Directors; and (v) all expenses to be allocated among the Owners as provided in Article VIII.

Section 2.9. "Declarant" shall mean Encore Communities USA, LLP, or its successors or assigns, including any Successor Declarant to the extent the right of Declarant are assigned to the Successor Declarant, as provided in Section 20.7 below.

Section 2.10. "Declaration and Annexation" shall mean a declaration prepared and recorded in accordance with the provisions of Article XV below to incorporate Expansion property within the Property governed by the Declaration.

Section 2.11. "Default Assessment" shall mean the Assessment levied by the Association pursuant to Section 8.8.

Section 2.12. "Default Rate" shall mean the lesser of (i) the rate per annum of five points above the prime rate charged by the Master Association's bank, or such other rate as shall have been established by the Board of Directors, and (ii) the maximum rate allowed by law.

Section 2.13. "Design Guidelines" means the guidelines and rules published and amended and supplemented from time to time by the Design Review Committee.

Section 2.14. "Design Review Committee" or "Committee" or "DRC" means the committee formed pursuant to Article V to maintain the quality and architectural harmony of Improvements in Walking Stick Vista.

Section 2.15. "Development Rights" is defined in Section 9.1.2 below.

Section 2.16. "Director" means a member of the Board

Section 2.17. "Eligible Mortgage Holder" shall mean a First Mortgagee or any insurer or guarantor of a First Mortgage which has notified the Master Association in writing of its name and address and status as a holder, insurer, or guarantor of a First Mortgage. Such notice shall be deemed to include a request that the Eligible Mortgage Holder be given notices and other rights described in Article XVI below, regardless of whether such Article requires notice to such party.

Section 2.18. "Expansion Property" shall mean such additional real property owned by Declarant, as Declarant may make subject to the provisions of this Declaration by duly recorded Declaration of Annexation. The real property identified in Expansion Property as of the date of this Declaration is more particularly described in Exhibit 3 as "Parcel F" and "Violeta Carmo Circle", which consists of two (2) pages attached to this Declaration, and may be supplemented as provided in Section 15.2.

Section 2.19. "First Mortgage" means any mortgage which is not subject to any lien or encumbrance except liens for taxes and other liens which are given priority by statute.

Section 2.20. "First Mortgagee" shall mean the holder of record of a First Mortgage.

Section 2.21. "Improvement(s)" shall mean all buildings, parking areas, loading areas, fences, walls, hedges, plantings, lightings, poles, driveways, roads, ponds, lakes, signs, changes in any exterior color or shape, excavation and all other site work, including, without limitation, grading, road construction, utility improvements, removal of trees of plantings, and any new exterior construction or exterior improvement which may not be included in the foregoing. "Improvement(s)" does not include turf, shrub, or tree repair or replacement of a magnitude which does not change exterior colors or exterior appearances. "Improvement(s)" does include both original improvements and all later changes and improvements.

Section 2.22. "Lot" shall mean a parcel of land designated as a lot on any Plat and reserved for any purpose other than use as streets, roads, or Common Area. A Lot includes Improvements, if any, located in it. Further, a Lot is a "unit" as defined in the Act.

Section 2.23. "Manager" shall mean such person or entity retained by the Board of Directors to perform certain functions of the Board pursuant to this Declaration of the Bylaws.

Section 2.24. "Master Association" shall mean Walking Stick Vista Master Association, a nonprofit membership corporation, or any successor to the Master Association by whatever name, charged with the duties and obligations set forth in this Declaration.

Section 2.25. "Member" shall mean any person holding membership in the Master Association.

Section 2.26. "Mortgage" shall mean any mortgage, deed of trust, or other document which is recorded in the office of the Clerk and Recorder of Pueblo County, Colorado, and which encumbers any portion of the Property or interest therein as security for the payment of a debt or obligation.

Section 2.27. "Mortgagee" shall mean any person named as a beneficiary or mortgagee under a Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.28. "Owner" shall mean the owner of record (including Declarant, and including a contract seller, but excluding a contract purchaser), whether one or more persons or entities, of fee simple title to any Lot, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such person or entity has acquired fee simple title pursuant to foreclosure or other proceedings.

Section 2.29. "Period of Declarant Control" shall mean the period during which Declarant (or a Successor Declarant) may appoint and remove Directors and officers of the Master Association as permitted under the Act. The Period of Declarant Control will begin on the date this Declaration is first recorded in the office of the Clerk and Recorder of Pueblo County, Colorado, and will end no later than (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Lots that may be created within the Property and the Expansion Property, to Owners other than Declarant (or any Successor Declarant), (ii) two years after the last conveyance of a Lot by Declarant (or any Successor Declarant) in the ordinary course of business, (iii) two years after any right to add new Lots to the Property, as allowed under Article XV, was last exercised by Declarant (or any Successor Declarant), or (iv) the date on which Declarant (or any Successor Declarant) voluntarily terminates the Period of Declarant Control by recording a notice to that effect in the office of the Clerk and Recorder of Pueblo County, Colorado, whichever of the foregoing dates or events occurs first. Notwithstanding the foregoing, the Period of Declarant Control will be extended at the option of Declarant (1) if the Act is amended to allow for such extension beyond the limiting dates outlined in this Section above, or (2) if the period of Declarant Control is reinstated or extended by agreement between Declarant and the Master Association. After the termination of the Period of Declarant Control, Declarant, if still an Owner, will have all the rights and duties ordinarily given to Members under this Declaration.

Section 2.30. "Person" (whether or not in capitalized form) means a natural person, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or combination of the foregoing.

Section 2.31. "Plan" shall mean the subdivision, planned unit development or any engineering survey or surveys of all or part of the Property, together with such other

diagrammatic plans and information regarding the Property as may be required by the Act or other applicable law, or as may be included in the discretion of the Declarant, as each such survey may be amended and supplemented from time to time, and all as recorded in the office of the Clerk and Recorder of Pueblo County, Colorado.

Section 2.32. "Project" shall mean an area separately designated by Declarant as a Project under the Project Declaration and constructed upon a portion of the Property and comprised of distinct types of development or use, including without limitations, the following types of uses

2.33.1. A residential development zoned for primary/secondary and/or single-family detached houses;

2.33.2. A residential development of townhomes or zero-lot-line homes for single-family use; or

2.33.4. Any other area within Walking Stick Vista devoted to a distinct purpose.

Section 2.33. "Project Assessments" shall mean assessments levied pursuant to a specified Project Declaration.

Section 2.34. "Project Association" shall mean any association established for a specific Project pursuant to a Project Declaration.

Section 2.35. "Project Common Area" shall mean the area within a Project restricted in whole or in part to common use primarily by or for the benefit of the Owners within the Project and their families, tenants, employees, guests, and invitees.

Section 2.36. "Project Declaration" shall mean a declaration of covenants, conditions, restrictions, and easements which may be recorded as provided under this Declaration to impose a unified development scheme on a particular Project.

Section 2.37. "Project Documents" shall mean the basic documents which may be prepared and recorded, as appropriate to create and govern a particular Project including a Plat, the Project Declaration, the articles of incorporation and bylaws of the Project Association, and any procedures, rules, regulations or policies adopted under such documents.

Section 2.38. "Project Parcel" shall mean the portion of the Property upon which a project is located, as designated in the Project Documents.

Section 2.39. "Property" shall mean and include the property described on Exhibit 1 and initially subjected to this Declaration and any additional real property from time to time made subject to these Covenants pursuant to the provisions of this Declaration.

Section 2.40. "Special Assessment" shall mean an Assessment levied pursuant to Section 8.4.

Section 2.41. "Special Declarant Rights" is defined as set forth in Section 9 below.

Section 2.42. "Special Declarant Rights Period" shall mean the period beginning the date this Declaration is first recorded in the office of the Clerk and Recorder of Pueblo County, Colorado, and ending the date on which Declarant shall have conveyed to parties (other than a Successor Declarant) all units, as defined in the Act, originally owned by Declarant in the master planned community of Walking Stick Vista.

Section 2.43. "Successor Declarant" shall mean any person to whom Declarant assigns any or all of its rights, obligations or interest as Declarant, as permitted by Section 20.7 and evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Pueblo County, Colorado, designating such party as a Successor Declarant, signed by the transferor and the transferee, and otherwise complying with the requirements of the Act. Upon such recording, Declarant's rights and obligations under the Declaration shall cease and terminate to the extent provided in such document.

Section 2.44. "Supplemental Covenants" shall mean additional or further restrictive covenants imposed on a portion or portions of the Property from time to time.

Section 2.45. "Walking Stick Vista" shall mean the master planned community created by the Declaration, consisting of Property (including Expansion Property, after annexation in accordance with Article XV) and all of the Improvements located on the Property. Walking Stick Vista is a common interest community under the definitions of the Act, and a planned unit development or "PUD" under the terms of the secondary mortgage marketing guidelines promulgated by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

Section 2.46. "Walking Stick Vista Documents" shall mean the basic documents creating and governing Walking Stick Vista, including, but not limited to, this Declaration, the Articles of Incorporation and Bylaws, the Design Guidelines, the Walking Stick Vista Rules, and any other procedures, rules, regulations, or policies adopted under such documents by the Master Association.

Section 2.47. "Walking Stick Vista Rules" shall mean the rules and regulations adopted by the Master Association as provided in Section 4.9 below.


ARTICLE III THE WALKING STICK VISTA MASTER PLANNED COMMUNITY

Section 3.1. Establishment of Master Planned Community. By this Declaration, Walking Stick Vista is established as a master planned community under the Act, consisting initially of one-hundred and thirteen (113) Lots. Declarant reserves the Development Right to incorporate a total of up to eight-hundred and four (804) Lots within Walking Stick Vista in accordance with Article XV below.

Section 3.2. Declaration of Lot Boundaries. The boundaries of each Lot are designated on the Plat, and each Lot is identified by the number or address noted on the Plat.

Section 3.3. Plat. The Plat shall conform to the requirements of the Act and shall be filed for record in the office of the Clerk and Recorder of Pueblo County, Colorado. The Plat may be filed as a whole or as a series of Plats from time to time. Any Plat filed subsequent to the first Plat shall be termed a supplement to the Plat, and the numerical sequence of each supplement shall be shown on it.

Section 3.4. Recorded Easements and Licenses. The recording date for recorded easements and licenses appurtenant to or included in the Property is set forth on the attached Exhibit 4.

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ARTICLE IV
THE MASTER ASSOCIATION

Section 4.1. Master Association Management Duties. Subject to the rights and obligations of Declarant as set forth in the Act and in this Declaration, and the obligations of the Project Associations under their respective Project Documents, and the rights and obligations of the Owners, the Master Association shall be responsible for the administration and operation of the Property. In addition, the Master Association may under take contractual responsibilities relating to other property that is used by or available to the Owners in Walking Stick Vista under arrangements including, without limitation, those described in Section 4.11.

The Board of Directors shall exercise for the Master Association all powers, duties and authority vested in or obligated to be taken by the Master Association and not reserved to Declarant or the other Owners by the Declaration, the other Walking Stick Vista Documents, the Act or other applicable law.

Section 4.2. Common Area. Declarant shall convey to the Master Association, by written instrument recorded with the Clerk and Recorder of Pueblo County, Colorado, certain parcels of the Property, more fully described in Exhibit 2, including the Improvements located on and the rights and easements appurtenant to such property, after completion of Declarant's constructions of those Improvements. From time to time before the expiration of the Special Declarant Rights Period, Declarant may, but shall not be obligated to, convey to the Master Association, by written instrument recorded with the Clerk and Recorder of Pueblo County, Colorado, certain other parts of the Property (including the Expansion Property) as Common Area.

The Common Area generally is designated by the Declaration for the common use, benefit and enjoyment of the Owners and their families, tenants, employees, guests, and invitees, and such other persons as may be permitted to use the Common Area, as Declarant may specify. Nothing in this Declaration or the other Walking Stick Vista Documents shall be construed as a dedication to public use, or a grant to any public municipal or quasi-municipal authority or utility, or an assumption of responsibility for the maintenance of any Common Area by such authority or utility, absent an express written agreement to that effect.

Section 4.3. Master Association's Responsibility for Common Area. The Master Association, subject to the rights and obligations of the Owners set forth in this Declaration, shall be responsible for the management and control of the Common Area conveyed pursuant to Section 4.2 above and all Improvements on the Common Area (including furnishings and equipment related thereto), and shall keep it in good, clean, and attractive condition and repair, pursuant to the terms and conditions of this Declaration.

The Master Association may, in the discretion of the Board, assume the maintenance responsibilities of a Project Association set out in any Project Declaration for any Project located on the Property, after giving the responsible Project Association reasonable notice and an opportunity to correct its deficient maintenance. In such event, all costs of such maintenance shall be assessed only against those Owners of Lots in the Project to which the services are provided. The assumption of this responsibility may take place either by contract or because, in the opinion of the Board, the level of quality of service then being provided is not consistent with the community-wide standard established in Walking Stick Vista. The provision of services in accordance with this Section shall not constitute discrimination within a class.

Any use of the Common Area by Owners and their families, tenants and guests, and such other persons permitted access to the Common Area shall be subject to any applicable Walking Stick Vista Rules governing the Common Areas.

The Master Association, acting through the Board of Directors, may grant easements, rights-of-way, leases, licenses and concessions through or over the Common Areas without independent approval by the Owners, subject, however, to the right of Declarant and Owners to use the Common Areas as provided in this Declaration. Without limiting the generality of the foregoing, the Master Association may grant such rights to suppliers of utilities serving the Property or property adjacent to the Property and to developers or owners of Property adjacent to the Property for the purposes of accommodating minor encroachments onto the Common Area or other purposes that do not unreasonably interfere with the use and enjoyment of the Common Areas by the Owners.

Section 4.4. Membership. Every Owner, by virtue of being an Owner, and for so long as he/she is an Owner, shall be a Member of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. No Owner, whether one or more persons, shall have more than one membership per Lot owned, but all of the persons owning each Lot shall be entitled to rights of membership and of use and enjoyment appurtenant to such ownership. An Owner shall not transfer, pledge or alienate his membership in the Master Association in any way except upon the sale or encumbrance of a Lot, and then only to the purchaser or Mortgagee of the Lot.

Section 4.5. Classes of Memberships and Voting Rights. Initially, the Master Association shall have at least one class of voting membership composed of all Owners, including Declarant. The Bylaws may set forth additional classifications of membership from time to time.


All Members shall be entitled to vote on Master Association matters on the basis of one vote for each Lot, as each Lot is originally platted by Declarant. The number of votes shall be determined by reference to the Plat for the Lot in question, as recorded by Declarant.

When more than one person is an Owner of any Lot, all such persons shall be Members.

The vote for such Lot may be exercised by one person or alternative persons as the Owners themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only by agreement of a majority in interest of the Owners. There is a majority of agreement if any one of the multiple Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

Any Owner of a Lot which is leased may assign his voting right to the tenant, provided that a copy of the instrument of assignment is furnished to the Secretary of the Master Association prior to any meeting in which the tenant exercises the voting right.

Any party, on becoming a Member, shall furnish to the Secretary of the Master Association a photocopy or certified copy of the recorded instrument, or a copy of the lease or sublease, or such other evidence as may be specified by the Board under the Bylaws or the Walking Stick Vista Rules, vesting the party with the interest required to make it a Member of the Master Association. At the same time, the party shall provide the Master Association with the single name and address to which the Master Association shall send any notices given

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pursuant to the Walking Stick Vista Documents. The Member shall state in such notice the number of votes in the Master Association to which the Member believes he is entitled and the basis for that determination. In the event of any change in the facts reported in the original written notice, including any change of ownership, the Member shall give a new written notice to the Master Association containing all of the information required to be covered in the original notice. The Master Association shall keep and preserve the most recent written notice received by the Master Association with respect to each Member.

Section 4.6. Appointment of Officers and Directors by Declarant. Until the expiration of the Period of Declarant Control and subject to the limitations of the Act, Declarant shall retain the exclusive powers to appoint and remove the Board of Directors and officers of the Master Association.

Notwithstanding the foregoing, Declarant may voluntarily surrender the right to appoint and remove the Board of Directors and officers of the Master Association before the end of the Period of Declarant Control by providing notice to that effect to the Master Association and otherwise complying with the procedures for termination of this Special Declarant Right, as set forth in the Bylaws. However, upon voluntarily terminating this Special Declarant Right in advance of the expiration of the Period of Declarant Control, Declarant may require that specified actions of the Master Association or the Board, as described in an instrument executed and recorded by Declarant in the office of the Clerk and Recorder of Pueblo County, Colorado, be approved by Declarant before those actions become effective.

Section 4.7. Owner's and Association's Address for Notices. All Owners of each Lot shall have one and the same registered mailing address to be used by the Master Association or other Owners for notices, demands, and all other communications regarding Master Association matters. The Owner or Owners of a Lot shall furnish the registered address to the secretary of the Master Association within five (5) days after receiving title to the Lot. The registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interests of all Owners of the Lot.

If no address is registered or if all of the Owners cannot agree, then the address of the Lot shall be deemed the registration address until another registered address is furnished as required under this Section.

If the address of the Lot is the registered address of the Owners, then any notice shall be deemed duly given if delivered to any person occupying the Lot or sent to the Lot by any other means specified for a particular notice in any of the Walking Stick Vista Documents, or if the Lot is unoccupied, if the notice is held and available for the Owners at the principal office of the Association.

All notices and demands intended to be served upon the Board of Directors shall be sent to the address of the Master Association or such other address as the Board may designate from time to time by a notice delivered to all Owners in accordance with this Section.

Unless any section of this Declaration or the Act expressly provides otherwise, all notices given under this Declaration shall be sent by personal delivery, which shall be effective upon receipt; by overnight courier service, which shall be effective one business day following timely deposit with a courier service; or regular, registered or certified mail, postage prepaid, which shall be effective three days after deposit in the U.S. mail.

Section 4.8. Compliance with Documents. Each Owner shall abide by and benefit from the provisions, covenants, conditions, and restrictions contained in the Walking Stick Vista Documents.

Section 4.9. Rules and Regulations. The Master Association, from time to time and subject to the provisions of the Walking Stick Documents, may adopt, amend and repeal rules and regulations, to be known as the "Walking Stick Vista Rules," governing, among other things and without limitation:

4.9.1. The use of the Common Area; and

4.9.2. The use of private roads, if any, within Walking Stick Vista.

A copy of the Walking Stick Vista Rules in effect shall be distributed to each Member of the Master Association, and any change in the Walking Stick Vista Rules shall be distributed to each Member within a reasonable time following the effective date of the change. The Board of Directors of the Master Association shall provide for the enforcement of the Walking Stick Vista Rules, as set forth in the Bylaws. Without limiting the generality of the foregoing, the Board may suspend voting rights of a Member after notice and hearing as provided in the Bylaws for an infraction of the Walking Stick Vista Rules.

Section 4.10. Cooperation with Project Associations. The Board shall assist the Project Associations in the performance of their duties and obligations under their respective Project Documents, and the Master Association shall cooperate with each Project Association so that each of those entities may most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time the Master Association and the various Project Associations may use the services of each other in furtherance of their respective obligations, and they may contract with each other to better provide for such cooperation. The payment for such contract services or a variance in services provided may be reflected in an increased Assessment by the Master Association for the particular Project or by an item in the Project Association's budget which shall be collected through Project Assessments and remitted to the Master Association. If a Project Association fails, neglects, or is unable to perform a duty or obligation required by its Project Documents, then the Master Association may, after reasonable notice and opportunity to cure given to the Project Association, perform such duties or obligations until such time as the Project Association is able to resume such functions, and the Master Association may charge the Project Association a reasonable fee for the performance of such functions.

Section 4.11. Cooperation with Local Government. The Master Association will cooperate with local governmental and quasi-governmental authorities in all respects to enable the Master Association and such authorities to efficiently and economically provide their respective services to the Owners. It is contemplated that from time to time either the Master Association or any of those authorities may use the services of the other in furthering their respective obligations, and they may contract with each other to better provide for such cooperation. Without limiting the generality of the provisions of this Section above, the Master Association may enter into contracts relating to the use, operation and maintenance of property owned or otherwise held by the City of Pueblo or other local governments or quasi-governmental authorities, but available to the Owners of Walking Stick Vista for their benefit and use for purposes such as parks, trails, and street right-of-ways. The expenses of performing under such contracts will be Common Expense.

Section 4.12. Manager. The Master Association may employ or contract for the services of a Manager to act for the Master Association and the Board and the officers according to the powers and duties delegated to the Manager pursuant to the Bylaws or resolution of the Board, provided that no such employment shall be by a contract having a term of more than three years, and each such contract shall be subject to cancellation by the Master Association on ninety (90) days or less prior notice without cause and without payment of a termination fee. The Manager shall not have the authority to make expenditures for additions or Improvements except upon specific prior approval and direction by the Board. The Board or any officer of the Master Association shall not be liable for any omission or improper exercise by a Manager of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 4.13. Delegation by Master Association. The Master Association may delegate any of its rights, duties or responsibilities to any committee or other entity which it may choose to form. Any delegation by the Board under this Section is subject to compliance with the Act and the Bylaws and the requirement that the Board, when so delegating, shall not be relieved of its responsibilities under the Walking Stick Vista Documents or the Act.

Section 4.14. Ownership of Personal Property and Real Property for Common Use. The Master Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Master Association, shall accept any real or personal property, leasehold, or other property interests within Walking Stick Vista and conveyed to the Master Association by Declarant.

Section 4.15. Roads and Streets. The City of Pueblo, the Master Association, Pueblo County, a Project Association or any combination of them shall be responsible for the maintenance of all roads within Walking Stick Vista to the extent Declarant may delegate, and to the extent any of such entities may specifically accept those obligations including landscaped medians.

If Declarant elects to include the roads or streets within the legal description of the Common Area from time to time, either the Master Association or a Project Association shall be responsible for them, subject to any shared use agreements or other arrangements that may be established between the Project Associations, the Master Association and other associations operating in Walking Stick Vista, or other third parties permitted to use the Common Area as provided in this Declaration. In any case, such maintenance shall include periodic maintenance of the surface and regular snow, ice and trash removal from all drive areas. The Board shall cooperate with the applicable traffic and fire control officials to post public and private drives, roads and streets with traffic control, fire lane, and parking regulation signs.

Section 4.16. Books and Records. The Master Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and Mortgagees, current copies of Walking Stick Vista Documents, and the books, records, and financial statements of the Master Association prepared pursuant to the Bylaws. Any Owner or Mortgagee may make a written request to the Master Association for a copy of the financial statements for the preceding year. The Master Association may charge a reasonable fee for copying such materials.

Section 4.17. Reserve Account. The Master Association shall establish and maintain an adequate reserve fund from Annual Assessments levied pursuant to Article VII below for

maintenance, repair, or replacement of those Common Areas and Improvements located within such areas that must be replaced on a periodic basis.

Section 4.18. Working Capital Account. In order to provide the Master Association with adequate working capital funds, the Master Association shall collect at the time of the sale each Lot an amount equal to two months' installments of the Annual Assessments at the rate in effect at the time of the sale. The Master Association shall maintain such funds in a segregated account to meet unforeseen expenditures or to acquire additional equipment or services for the benefit of the Members. Such payments to this fund shall not be considered advance payments of Annual Assessments.

Section 4.19. Implied Rights and Obligations. The Master Association shall perform all of the duties and obligations imposed on it expressly by the Walking Stick Vista Documents, together with every other duty or obligation reasonably to be implied from the express provisions of the Walking Stick Vista Documents or reasonably necessary to satisfy any such duty or obligation reasonably implied from the express provisions of the Walking Stick Vista Documents or reasonably necessary to satisfy any such duty or obligation. The Master Association may exercise any other right or privilege (i) given to it expressly by the Walking Stick Vista Documents, or (ii) reasonably implied from the existence of any right or privilege given expressly by Walking Stick Vista Documents or (iii) reasonably necessary to effectuate any such right or privilege.

ARTICLE V DESIGN REVIEW COMMITTEE

Section 5.1. Committee and Guidelines. There is hereby established a Design Review Committee, which shall be responsible for the establishment and administration of Design Guidelines to facilitate the purposes and intent of this Declaration. If the DRC ceases to operate or is inactive, the Master Association shall be responsible for the establishment and administration of Design Guidelines to facilitate the purposes and intent of this Declaration. The DRC may issue and enforce separate and distinct Design Guidelines applicable to a specific Project or other area within the master planned community of Walking Stick Vista, as well as Design Guidelines that relate to Walking Stick Vista generally. Further, the DRC may amend, vary, repeal and augment the Design Guidelines from time to time, in the DRC's sole discretion based on concerns for good planning and design, the aesthetic, architectural and environmental harmony of Walking Stick Vista or other factors as necessary or desirable to fulfill the intent of the Design Guidelines. The Design Guidelines shall be binding on all Owners and other persons governed by this Declaration.

The Design Guidelines and/or the Walking Stick Vista PUD may include, among other things, those restrictions and limitations set forth below:

5.1.1. Standards establishing and dictating an architectural theme and requirements pertaining to building style and design, construction materials and site planning.

5.1.2. Procedures for making application to the DRC for design review approval, including the documents to be submitted and the time limits in which the DRC must act to approve or disapprove any submission.

5.1.3. Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required under the Design Guidelines.

5.1.4. Designation of a building site on a Lot, establishing the maximum developable area of a Lot and set-back or view corridor requirements.

5.1.5. Minimum and maximum square foot areas of living space that may be developed on any Lot.

5.1.6. Limitations on the height on any building or other Improvement.

5.1.7. Specifications for the location, dimensions and appearance or screening of any fences, accessory structures, antennae, energy generating and saving devices, or other such Improvements.

5.1.8. Landscaping regulations, including requirements for installing and maintaining landscaping on the entire Lot and, in certain Projects identified in the Design Guidelines, on parkways abutting the Lot and the street or road providing access to the Lot; time limitations within which all landscaping must be completed; limitations and restrictions prohibiting the removal or requiring the replacement of existing trees; and guidelines encouraging the use of plants indigenous to the locale and compatible with the design theme of the Project in question; and other practices benefiting the protection of the environment, aesthetics and architectural harmony of Walking Stick Vista.

5.1.9. Regulations for parking vehicles off of the street, within an enclosed garage or a designated area on a Lot.

5.1.10. General instructions for the construction, reconstruction, refinishing or alteration of any Improvement, including any plan to excavate, fill or make any other temporary or permanent change in the natural or existing surface contour or drainage or any installation of utility lines or conduits on the Property, addressing matters such as loading areas, waste storage, trash removal, equipment and materials storage, grading, transformers and meters.

Section 5.2. DRC Membership and Organization. The DRC shall be composed of five (5) persons. The DRC may include one or more professional design consultants, but need not include any Member of the Master Association. All members of the DRC shall be appointed, removed and replaced by Declarant, in its sole discretion, until Declarant waives this right by notice to the Association recorded in the office of the Clerk and Recorder of Pueblo County, Colorado. At the time the Board of Directors shall succeed to Declarant's right to appoint, remove or replace the members of the DRC. At any time before the recording of such notice, Declarant may direct that the DRC be organized as a Colorado nonprofit corporation with a board of directors composed of five (5) members, to be and to serve as the DRC.

Section 5.3. Purpose and General Authority. The DRC shall review, study and either approve or reject proposed Improvements on the Property, all in compliance with this Declaration and as further set forth in the Design Guidelines and such rules and regulations as the DRC may establish from time to time to govern its proceedings. No Improvement shall be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor shall any construction, repair or reconstruction be commenced until plans for the Improvements shall have been approved by the DRC; provided, however, that Improvements that are completely within a building may be undertaken without such approval. All Improvements shall be constructed only in accordance with approved plans.

5.3.1. DRC Discretion. The DRC shall exercise its best judgment to see that all Improvements conform and harmonize with any existing structures as to external design, quality

and type of construction, seals, materials, color, location on the Lot, height, grade and finished ground elevation, and the schemes and aesthetic considerations set forth in the Design Guidelines and other Walking Stick Vista Documents.

5.3.2. Binding Effect. The actions of the DRC in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

Section 5.4. Organization and Operation of DRC.

5.4.1. Term. The term of office of each member of the DRC, subject to Section 5.2, shall be one (1) year, commencing January 1 of each year, and continuing until her/his successor shall have been appointed. Should a DRC member die, retire, or become incapacitated, or in the even of a temporary absence of a member, a successor may be appointed as provided in Section 5.2.

5.4.2. Chairman. So long as Declarant appoints the DRC, Declarant shall appoint the chairman. At such time as the DRC is appointed by the Board of Directors, the chairman shall be elected annually from among the members of the DRC by a majority vote of the members. In the absence of a chairman, the party responsible for appointing or electing the chairman may appoint of elect a successor, or if the absence is temporary, an interim chairman.

5.4.3. Operations. The DRC chairman shall take charge of and conduct all meetings and shall provide for reasonable notice to each member of the DRC prior to any meeting. The notice shall set forth the time and place of the meeting, and notice may be waived by any member.

5.4.4. Voting. The affirmative vote of a majority of the members of the DRC shall govern its actions and be the act of the DRC.

5.4.5. Expert Consultation. The DRC may avail itself of other technical and professional advice and consultants as it deems appropriate, and the DRC may delegate its plan review responsibilities, except final review and approval, to one (1) or more of its members or to consultants retained by the DRC. Upon that delegation, the approval of disapproval of plans and specifications by such member or consultant shall be equivalent to approval or disapproval by the entire DRC.

Section 5.5. Expenses. Except as provided in this Section below, all expenses of the DRC shall be paid by the Master Association and shall constitute a Common Expense. The DRC shall have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the DRC from time to time, and such fees shall be collected by the DRC and remitted to the Master Association to help defray the expenses of the DRC's operation.

Section 5.6. Other Requirements. Compliance with the Walking Stick Vista design review process is not a substitute for compliance with the City of Pueblo building, zoning and subdivision regulations, and each Owner is responsible for obtaining approvals, licenses, and permits as may be required prior to commencing construction of Improvements.

Further, the establishment of the DRC and procedures for architectural review shall not be construed as changing any rights or restrictions upon Owners to maintain and repair their Lots and Improvements as otherwise required under the Walking Stick Vista Documents.

Section 5.7. Limitation on Liability. The DRC shall use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the DRC nor any individual DRC member shall be liable to any person for any official act of the DRC in connection with submitted plans and specifications, except to the extent the DRC or any individual DRC member acted with malice or wrongful intent. Approval by the DRC does not necessarily assure approval by the appropriate governmental board or commission for the City of Pueblo. Notwithstanding that the DRC has approved plans and specifications, neither the DRC nor any of its members shall be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the Improvements. Neither the Board, the DRC, nor any agent thereof, nor Declarant, nor any of its partners, employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Walking Stick Vista Documents, nor for any structural or other defects in any work done according to such plans and specifications. In all events, the DRC shall be defended and indemnified by the Master Association in any such suit or proceeding which may arise by reason of the DRC's decision. The Master Association, however, shall not be obligated to indemnify each member of the DRC to the extent any such member of the DRC is adjudged to be liable for negligence or misconduct in the performance of his duty as a member of the DRC, unless and then only to the extent that the court in which such action or suit may be brought determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

Section 5.8. Enforcement.

5.8.1. Inspection. Any member or authorized consultant of the DRC, or any authorized officer, Director, employee or agent, of the Master Association may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect Improvements constructed or under construction on the Lot to determine whether the Improvements have been or are being built in compliance with the Walking Stick Vista Documents and the plans and specifications approved by the Design Review Committee.

5.8.2. Completion of Construction. Before any Improvements on a Lot may be occupied, the Owner of the Lot shall be required to obtain a temporary certificate of compliance issued by the DRC indicating substantial completion of the Improvements in accordance with the plans and specifications approved by the DRC, and imposing such conditions for issuance of a final certificate of compliance as the DRC may determine appropriate in its reasonable discretion. Without limiting the generality of the preceding sentence, the DRC may require, as a condition to the issuance of the temporary certificate of compliance, that the Owner deposit with the DRC such sums as may be necessary to complete the landscaping on the Lot by a specified date. If the landscaping is not completed as scheduled, the DRC may apply the deposit to cover the cost of completing the work and enforce such other remedies as are available to the Master Association for the failure of the Owner to comply with these covenants, including without limitation the remedies set forth in Section 5.9.

5.8.3. Certificate of Compliance. Upon payment of a reasonable fee established from time to time by the DRC, and upon written request of any Owner or his agent, an existing or prospective Mortgage, or a prospective grantee, the DRC shall issue an acknowledged certificate, in recordable form, setting forth generally whether, to the best of the DRC's

knowledge, the Improvements on a particular Lot are in compliance with the terms and conditions of the Design Guidelines.

5.8.4. Deemed Nuisances. Every violation of these covenants is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed for such violation by law or equity against a Member shall be applicable. Without limiting the generality of the foregoing, these Covenants may be enforced as provided below.

(i) Fines for Violations. The DRC may adopt a schedule of fines for failure to abide by the DRC rules and the Design Guidelines, including fines for failure to obtain any required approval from the DRC.

(ii) Removal of Nonconforming Improvements. The Master Association, upon request of the DRC and after reasonable notice to the offender and, if different, to the Owner, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, and remove any Improvement constructed, reconstructed, refinished, altered, or maintained in violation of these Covenants. The Owner of the Improvement shall immediately reimburse the Master Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Master Association within thirty (30) days after the Master Association gives the Owner notice of the expenses, the sum owed to the Master Association shall bear interest at the Default Rate from the date of the advance by the Master Association through the date of reimbursement in full, and all such sums and interest shall be a Default Assessment enforceable as provided in Article VIII.

Section 5.9. Continuity of Construction. All Improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within twelve (12) months after commencement, unless an exception is granted in writing by the DRC. If an Improvement is commenced and construction is then abandoned for more than ninety (90) days, or if construction is not completed within the required twelve (12) month period, then after notice and an opportunity for hearing as provided in the Bylaws, the Master Association may impose a fine of not less than one thousand dollars (\$1,000.00) per day (or such other reasonable amount as the Master Association may set) to be charged against the Owner of the Lot until construction is resumed, or the Improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board of Directors that such abandonment is for circumstances beyond the Owner's control. Such charges shall be a Default Assessment and lien as provided in Article VIII.

Section 5.10. Reconstruction of Common Area. The reconstruction by the Master Association after destruction by casualty or otherwise of any Common Area that is accomplished in substantial compliance with "as built" plans for such Common Area shall not require compliance with this Declaration.

Section 5.11. Variance. The DRC shall have the authority to grant for a Lot a variance from Section 5.8.2 and the terms of the Design Guidelines upon terms and conditions which may be fixed by the DRC and will not be contrary to the interests of the Owners and residents of the Property where, owing to exceptional and extraordinary circumstances, literal enforcement will result in unnecessary hardship. Following an application for a variance:

- (i) The DRC shall within thirty (30) days after the request for the variance was delivered, determine whether to grant or deny the variance. If the Design Review



Committee fails to act on the request for the variance within thirty (30) days, the variance shall be deemed approved.

- (ii) Whether or not anyone appears at the meeting in support of or in opposition to the application for variance, the DRC shall within one (1) week after the meeting either grant or deny the variance.
- (iii) The DRC shall determine whether or not a variance granted hereunder shall run with the Lot for which granted on a case-by-case bases.
- (iv) If a variance is denied, another application for a variance for the same Lot may not be made for a period of two (2) months.
- (v) A variance shall not be granted unless the DRC shall find that all of the following conditions exist:
 - (a) The variance will not authorize the operation of a business;
 - (b) Owing to the exceptional and extraordinary circumstances, literal enforcement of this section will result in unnecessary hardship;
 - (c) The variance will not substantially or permanently injure the use of other property in the Property;
 - (d) The variance will not alter the essential character of the Property;
 - (e) The variance will not weaken the general purposes of this Declaration;
 - (f) The variance will be in harmony with the spirit and purpose of this Declaration;
 - (g) The circumstances leading the applicant to seek a variance are unique to the Lot or its Owner, and are not applicable generally to Lots in the Property or their Owners.

ARTICLE VI
PROPERTY USE RESTRICTIONS

Section 6.1. General Restriction. The Property shall be used only for the purposes set forth in this Declaration, as permitted by the applicable ordinances of the City of Pueblo, and the laws of the State of Colorado and the United States, and as set forth in the Walking Stick Vista Documents or other specific recorded covenants affecting all or any part of the property.

Section 6.2. Residential Use of Lots. Each Lot may be used by right for residential purposes and developed by the construction of a single-family dwelling. No business or commercial building may be erected on any Lot. No business or commercial enterprise may be conducted on any part of a Lot.

Section 6.3. Motorized Vehicles. No trucks, trail bikes, recreational vehicles, motor homes, motor coaches, snowmobiles, campers, trailer, boats or boat trailers or similar vehicles (other than passenger automobiles or pickup or utility trucks with a capacity of ¾ ton or less) or any motorized vehicles shall be parked, stored or in any manner kept or placed on any portion of the Property except in an enclosed garage. Any vehicles that are not required to be parked within enclosed garages pursuant to this Section shall only be parked on driveway areas (located on the Lot in accordance with Design Guidelines regarding set-back requirements, or on the road or

street as permitted by the Walking Stick Vista Rule of the rule of the particular Project Association). This restriction, however, shall not be deemed to prohibit commercial and construction vehicles, in the ordinary course of business, from making deliveries or otherwise providing services to the Property or for the Declarant or the other Owners.

Section 6.4. Excavation. No excavation shall be made except in connection with Improvements approved as provided in these covenants. For purposes of this Section, "excavation" means any disturbance of the surface of the land which results in a removal of earth, rock, or other substance a depth of more than eighteen (18) inches below the natural surface of the land.

Section 6.5. Electrical, Television, Natural Gas and Telephone Service. All electrical, television, natural gas and telephone service installation shall be placed underground.

Section 6.6. Water and Sanitation. Each structure designed for occupancy shall connect with water and sanitation facilities as are made available from time to time by the water and sanitation district, if any, having jurisdiction over the Property or any other approved utility supplier.

Section 6.7. Wells. No well from which water, oil, or gas is produced shall be dug, nor shall storage tanks, reservoirs, or any installation of power, telephone or other utility lines (wire, pipe, or conduit) be made or operated anywhere on the Property except in connection with water wells and works operated by public agencies or duly certified public utility companies; provided, however, that the foregoing shall not prevent the drilling of or installation of additional water wells by Declarant or its assigns.

Section 6.8. Signs. No signs of any kind shall be displayed to the public view on or from any portion of the Property, except, during the Special Declarant Rights Period, signs of Declarant or its affiliates or assigns (which shall be approved by the Committee), signs required by law, and "For Sale" or "For Rent" signs, the size, number, design and location of which shall comply with Design Guidelines and the City of Pueblo Zoning Code. The rights of Owners to display political signs and symbols in or on their Lots of the kinds normally displayed in or outside of residences located in single-family neighborhoods shall not be abridged, except that the Master Association may adopt reasonable time, place and manner restrictions for the purpose of minimizing damage and disturbance to other Owners.

Section 6.9. Animals and Pets. No animals, livestock, or poultry of any kind shall be kept, raised, or bred on any portion of the Property, except dogs, cats or other interior confined household pets (the kind and number of which may be regulated, permitted or prohibited from time to time by the Walking Stick Vista Rules and the City of Pueblo Zoning Code).

6.9.1. Containment. Household pets, such as dogs and cats, must be contained upon the Owner's Lot, and such pets may not be permitted to run at large at any time.

6.9.2. Leashes. Pedestrians within the Property who are accompanied by pets permitted under this Declaration must have the pets under the pedestrians' direct control by use of a leash not to exceed ten (10) feet in length.

Section 6.10. Drainage. No Owner shall do or permit any work, place any landscaping or install any other Improvements or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Property, except to the extent such

alteration and drainage pattern is approved in writing by the Committee of the Board of Directors, and except for rights reserved to Declarant to alter or change drainage patterns.

Section 6.11. Trash. No trash, ashes, building materials, firewood or other unsightly items should be thrown, dumped or stored on any land or area within the Property. The Master Association shall cooperate in and encourage programs to recycle trash and other refuse. There shall be no burning or other disposal of refuse out of doors. Each Owner shall provide suitable receptacles for the temporary storage and collection of refuse, recycling, and composting; and all such receptacles shall be enclosed and screened from the public view and from the wind and protected from animal and other disturbance.

Section 6.12. Construction Regulations of the Design Guidelines. All Owners and contractors shall comply with the portions of the Design Guidelines regulating construction activities. Such regulations may affect, without limitation, the following: trash and debris removal; sanitary facilities; parking areas; outside storage; restoration of damaged property; conduct and behavior of builders, subcontractors and Owners' representatives on the Property at any time; the conservation of landscape materials; and fire protection.

Section 6.13. Blasting. If any blasting is to occur, the Committee and Declarant shall be informed far enough in advance to allow them to make such investigation as they deem necessary to confirm that appropriate protective measures have been taken prior to the blasting. Notwithstanding the foregoing, no approval of any blasting by Declarant or the Committee shall in any way release the person conducting the blasting from all liability in connection with the blasting, nor shall such approval in any way be deemed to make Declarant or the Committee liable for any damage which may occur from blasting, and the person doing the blasting shall defend and hold harmless and hereby indemnifies Declarant and the Committee from any such expense of liability. Declarant or the Committee may impose any reasonable conditions and restrictions, including time and date restrictions, on all blasting.

Section 6.14. Temporary Structures. No temporary structures shall be permitted except as may be determined to be necessary during construction and as specifically authorized by the Committee, and except as necessary for the exercise by Declarant of the Special Declarant Rights.

Section 6.15. Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Property.

Without limiting the generality of the foregoing, each Owner shall abide by any wildlife regulations impose by the Master Association or any agency or authority having jurisdiction over the Property. Further, no Owner shall dispose of, or allow any person under the Owner's control or direction to release, discharge or emit from the Property or dispose of any material on the Property that is designated as hazardous or toxic under any federal, state or local law, ordinance or regulation.

Section 6.16. Outside Clotheslines. Outside clotheslines shall only be permitted if retractable and screened from the view of adjacent Lots and approved in writing by the DRC.

Section 6.17. Auto Repair. No work on automobiles or other vehicle repair shall be performed in any visible or exposed portion of Walking Stick Vista except in emergencies.

Section 6.18. Abandoned, Inoperable, or Oversized Vehicles. No abandoned or inoperable vehicles of any kind shall be stored or parked on any portion of the Property, except as provided below. "Abandoned or inoperable vehicle" is defined as any vehicle which has not been driven under its own propulsion for a period of three (3) weeks or longer; provided, however, this shall not include vehicles parked by Owners while on vacation or residing away from Walking Stick Vista. A written notice describing the "abandoned or inoperable vehicle" and requesting its removal may be personally served upon the Owner or posted on the unused vehicle. If such vehicle has not been removed within seventy-two (72) hours after notice has been given, the Association shall have the right to remove the vehicle without liability, and the expense of removal shall be a Default Assessment charged against the Owner as provided in Section 8.8. All unsightly or oversized vehicles, snow removal equipment, lawn and garden maintenance equipment, and all other unsightly equipment and machinery may not be parked or stored on the Property except within a residential garage or accessory structure. "Oversized" vehicles, for the purpose of this Section, shall be vehicles which are too high to clear the entrance to a residential garage.

Section 6.19. Antennae. Exterior radio, television, microwave or other antenna or antenna/satellite dish or signal capture and distribution device shall only be permitted with prior written consent of the Committee, and appropriate screening as required by the Design Guidelines.

Section 6.20. Outside Burning. There shall be no exterior fires, except barbecues, outside fireplaces and braziers contained within facilities or receptacles and in areas designated and approved by the Committee. Incinerators and incinerator fires are prohibited. No Owner shall permit any condition upon its portion of the Property which creates a fire hazard or is in violation of fire prevention regulations.

Section 6.21. Noise. No exterior horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Property or Improvements, and wind chimes shall be placed or used on any portion of the Property.

Section 6.22. Lighting. All exterior lighting of the Improvements and grounds on the Property shall be subject to regulation by the Design Review Committee.

Section 6.23. Obstructions. There shall be no obstruction of any walkways or bike paths or interference with the free use of those walkways and paths except as may be reasonably required in connection with repairs. The Owners, their families, tenants, guests and invitees are granted nonexclusive easements to use the walkways and paths within the Property.

Section 6.24. Camping and Picnicking. No camping and picnicking shall be allowed within the Common Areas except in those areas designated for those purposes. The Board, in its discretion, may ban or permit public assemblies and rallies within the Property.

Section 6.25. House Numbers. Each residence on a Lot shall have a house number with a design and location established by the Committee. Mailboxes shall not obstruct any path or walk.

Section 6.26. Nuisance. No obnoxious or offensive activity shall be carried on within the Property, not shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the Property so as to be offensive or detrimental to any other party of the Property of its occupants. The Master

Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Master Association or other Owners, that create a danger to the health or safety of occupants of improvements on other Lots, that generate excessive noise or traffic, that create unsightly conditions visible outside the Lot, that block the views from other Lots, or that create an unreasonable source of annoyance.

Section 6.27. General Practices Prohibited. The following practices are prohibited at Walking Stick Vista:

- (a) Allowing construction suppliers and contractors to clean their equipment other than at a location designated for that purpose by the Committee;
- (b) Removing any rock, plant material, top soil or similar items from any property of others;
- (c) Discharge of firearms on the Property;
- (d) Use of surface water for construction;
- (e) Careless disposition of cigarettes and other flammable materials; or
- (f) Violation of any state, federal, or local law, ordinance, rule or regulation.

Section 6.28. Use of Property During Construction. It shall be expressly permissible and proper for Declarant and any Owner acting with the prior written consent of the Committee, and their respective employees, agents, independent contractors, successors, and assigns involved in the construction of Improvement on, or the providing of utility service to, the Property (including the Expansion Property) or other real property owned by Declarant, to perform such activities to maintain upon portions of the Property as they deem necessary, such facilities as may be reasonably required, convenient, necessary or incidental to such construction and development of the Property. This permission specifically includes, without limiting the generality of the foregoing, maintaining storage areas, construction yards and equipment and signs. However, no activity shall be performed and no facility shall be maintained on any portion of the Property in such a way as to unreasonably interfere with or disturb any purchaser or Owner of a Lot, or to unreasonable interfere with the use, enjoyment or access of such Owner or his tenants, employees, guests, or business invitees, of and to his/her Lot. If any Owner's use under this provision is deemed objectionable by the Design Review Committee, then the Design Review Committee, as applicable, in its sole discretion, may withdraw this permission.

Section 6.29. Leasing. The Owner of a Lot shall have the right to lease his/her Lot, subject to the following conditions:

- (a) All leases shall be in writing and shall be for an initial term of not less than one-hundred and eighty (180) days with renewals on a month-to-month basis.
- (b) The lease shall be specifically subject to the Walking Stick Vista Documents, and any failure of a tenant to comply with the Walking Stick Documents shall be a default under the lease.
- (c) Any Owner's right to lease is expressly conditional upon applicable Walking Stick Vista Documents.

(d) Any Owner who leases any Improvement and/or her Lot shall forward a copy of the lease to the Master Association within ten (10) days after the execution by the Owner and tenant/lessee.

Section 6.30. Conditions to Conduct Business. Any business, profession, trade or similar activity is prohibited within the Property unless expressly authorized (and in such cases, subject to such conditions as may be imposed) by the Board of the Master Association, except that an Owner may conduct business activities within his/her Lot so long as:

- (a) the existence or operation of the activity is not apparent or detectable by sight, sound, or smell from outside the Lot;
- (b) the activity conforms to all zoning requirements for the Property;
- (c) the activity does not involve regular visitation of the Lot by clients, customers, suppliers or other business invitees or door-to-door solicitation of Owners; and
- (d) the activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other Owners, as may be determined by the Board of the Master Association.

Section 6.31. Energy Generating and Saving Devices. The installation of any energy generation devices (e.g., solar and wind) and energy savings devices (e.g., awnings, shutters, trellises, awnada, shade structures, evaporative coolers, outdoor lighting, and evaporative coolers) shall require the prior written consent of the Committee and compliance with the Design Guidelines which may impose reasonable restrictions on dimensions, sound, placement, safety and external appearance for such devices.

Section 6.32. Enforcement. The Master Association, or the Design Review Committee, acting on behalf of the Master Association, may take such action as it deems advisable to enforce these Covenants as provided in this Declaration. In addition, the Master Association and the Design Review Committee shall have a right of entry on any part of the Property for the purposes of enforcing this Article, and any costs incurred by the Master Association or Design Review Committee in connection with such enforcement which remain unpaid thirty (30) days after the Master Association has given notice of the cost to the Owner and otherwise complied with the Act shall be subject to interest at the Default Rate from the date of the advance by the Master Association or the Design Review Committee through the date of payment in full by the Owner, and shall be treated as a Default Assessment enforceable as provided in Article VIII.

ARTICLE VII
OWNER'S OBLIGATIONS FOR MAINTENANCE

Section 7.1. Owner's Responsibility for Lot. Except as provided in the applicable Project Documents, or by written agreement with the Master Association or a Project Association, all maintenance of a Lot and the Improvements located thereon shall be the sole responsibility of the Owner of the Lot. Each Owner shall maintain his/her Lot in accordance with the community-wide standard of Walking Stick Vista. The Master Association shall, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level and quality of maintenance being provided by such Owner does not satisfy such standard, and the Project Association for the Project in which the Lot is located has failed to adequately



provide such maintenance. Before assuming the maintenance responsibilities, the Board shall notify the Owner and the applicable Project Association in writing of its intention to do so, and if the Owner or the Project Association has not commenced and diligently pursued remedial action within thirty (30) days after the mailing of such written notice, then the Master Association shall proceed. The expenses of the maintenance by the Board shall be reimbursed to the Master Association by the Owner within thirty (30) days after the Master Association notifies the Owner of the amount due, and any sum not reimbursed within that thirty (30) day period shall bear interest at the Default Rate from the date of the expenditure until payment in full. Such charges shall be a Default Assessment enforceable as provided in Article VIII.

Section 7.2. Owner's Negligence. If the need for maintenance, repair or replacement of any portion of the Common Area (including Improvements located on it) arises because of the negligent or willful act or omission of an Owner or his family member, guest, invitee or tenant, then the expenses incurred by the Master Association for the maintenance, repair or replacement shall be a personal obligation of that Owner. If the Owner fails to repay the expenses incurred by the Master Association within thirty (30) days after the notice to the Owner of the amount owed, then those expenses shall bear interest at the Default Rate from the date of the advance by the Master Association until payment by the responsible Owner in full, and all such expenses and interest shall become a Default Assessment enforceable in accordance with Article VIII.

Section 7.3. Waiver and Release of Liability. Owners recognize and acknowledge that inherent risks are associated with building, owning, occupying or using a residence adjacent to a golf course, including but not limited to errant golf balls (the "risks"). Owners assume full responsibility for such risks and release and forever discharge the City of Pueblo, Declarant, the Master Association, each Project Association and their respective officers, employees and agents from any and all claims, actions, proceedings and causes of action at law or in equity with respect to or for any damage or injury to person (including death) and property caused by or resulting in any manner from such risks, whether caused by the negligence of the City of Pueblo, Declarant, the Master Association, a Project Association or their respective officers, agents or employees, or otherwise.

Section 7.4. Lawn and Landscaping. Within six (6) months of the DRC issuing a certificate of compliance for Improvements on a Lot, as set forth in section 5.8.3 above, or within any extension of that period granted by the DRC, the Owner of that Lot shall complete the installation of lawn, zeriscape and/or landscaping (i.e., treatment of ground surface with live plant materials, wood chips, crushed stone, decorative rocks or mulch materials, or other decorative surfacing materials), in accordance with plans approved in writing by the DRC in advance of installation.

ARTICLE VIII COVENANT FOR MAINTENANCE ASSESSMENTS

Section 8.1. Creation of the Lien and Personal Obligation for Assessments. Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed, are deemed to covenant and agree to pay to the Master Association: (1) Annual Assessments or charges as provided in this Declaration to generally carry out the functions of the Master Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration, such Annual and Special Assessments to be fixed, established, and collected

From time to time as provided below; and (3) Default Assessments which may be assessed against a Lot pursuant to the Walking Stick Vista Rules for the Owner's failure to perform an obligation thereunder or because the Master Association has incurred an expense on behalf of the Owner thereunder.

The Annual, Special, and Default Assessments, together with fines, interest, costs, and reasonable attorneys' (and legal assistants') fees and other charges allowed under the Act, shall be a charge on the land and shall be a continuing lien upon the Lot against which each Assessment is made until paid.

Each such Assessment, together with fines, interest, costs, and reasonable attorneys' (and legal assistants') fees and other charges allowed under the Act, shall also be the individual obligation of the Owner of such Lot as of the time the Assessment falls due, and two or more Owners of a Lot shall be jointly and severally liable for such obligations. No Owner may exempt himself from liability for any Assessments by abandonment of his Lot or by waiver of the use or enjoyment of the Common Area. Suit to recover a money judgment for unpaid Assessments and related charges as listed above may be maintained without foreclosing or waiving the Assessment liens provided in this Declaration.

Assessments on Lots within a Project shall be levied directly against each Lot, but each Project Association is hereby designated as the agent of each Owner of a Lot within such Project for receipt of notices of Assessments and the collection of Assessments and remittances to the Master Association.

Section 8.2. Purpose of Assessments. The Assessments levied by the Master Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of Walking Stick Vista to improve and maintain the Common Area by actions including, but not limited to, the payment of taxes and insurance on the Common Area; payment for repair, replacement, and additions to any Improvements on the Common Area; establishment of reserve accounts; and payment of the cost of labor, equipment, materials, management, and supervisions, and the salary or fee of the Manager.

Section 8.3. Calculation and Apportionment of Annual Assessments and Common Expenses. The Board of Directors shall prepare a budget before the closing of each fiscal year of the Master Association and submit the budget to the Master Association as required by the Act. Annual Assessments for Common Expenses shall be based upon the estimated net cash flow for the Master Association to cover items including, without limitation, the cost of routine maintenance, repair and operation of the Common Area; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Master Association; snow removal, landscaping, care of grounds and common lighting within the Common Area; routine renovations within the Common Area; wages; common water and utility charges for the Common Area; legal and accounting fees; management fees; taxes and capital improvements; expenses and liabilities incurred by the Master Association under or by reason of this Declaration; payment of any deficit remaining from a previous Assessment Period; and the supplementing of the Master Association's funds for general, routine maintenance, repairs and replacement of Improvements within the Common Area on a periodic basis, as needed.

Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Lots included in the Property under this Declaration from time to time. Accordingly, at any given time, an Owner's share of Common Expenses shall be

determined as a fraction, the numerator of which is the number of Lots owned by the Owner, and the denominator of which is the number of Lots then platted and incorporated in the Property. Notwithstanding the preceding sentence, any Common Expenses or portion thereof benefiting fewer than all of the Lots shall be assessed exclusively against the Lots benefited. Further, the costs of insurance may be assessed in proportion to risk, and the costs of utilities may be assessed in proportion to usage.

Section 8.4. Special Assessments. In addition to the Annual Assessments authorized by Sections 8.1 and 8.3 above, the Board of Directors may levy in any fiscal year one (1) or more Special Assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, or, after adopting and submitting a revised budget to the Master Association as may be required by the Act, to make up any shortfall in the current year's budget.

Notice of the amount and due dates for such Special Assessments must be sent to each Owner (or Project Association as provided in this Declaration) at least thirty (30) days prior to the due date.

If any of the Special Assessments levied pursuant to this Section shall be used for the construction of new facilities (as opposed to repair and reconstruction of existing facilities) in Walking Stick Vista and if the total amount of Special Assessments levied for such construction exceeds ten percent (10%) of the gross annual budget for the Master Association for that year, then the use of Special Assessments for such construction shall require the approval of the Owners representing at least fifty (50%) of the votes in each class of Master Association membership. The use of Special Assessments pursuant to this Section for constructing any Common Area shall not apply to the construction of any Common Area to be completed by Declarant as part of its development of Walking Stick Vista.

Section 8.5. Uniform Rate of Assessment. Both Annual Assessments and Special Assessments must be fixed at a uniform rate for each type of Lot classified by type of use or other distinguishing characteristics (as set forth below) or by Project, but the basis and rate of Assessments for each Project or each type of use or other characterization may be varied as provided in this Section.

Lots may be classified by use (residential or otherwise), location, density, or other characteristics as the Board may deem appropriate, and shall be assessed on the basis appropriate for each Project, area, or other classification, as determined by the Board of Directors from time to time. The rate of Assessment levied against Lots within the various Projects, areas, or other classifications may be varied based upon the Board's sole and exclusive determination that any specific item in the Master Association's budget may more directly benefit a certain Project, area or other classification of the Property in excess of its proportionate share, or that the Master Association has provided services to such Project, area, or other classification in excess of those to other Projects, areas, or other classifications within Walking Stick Vista provided, however, that such rate of Assessment shall be uniform within each Project, area, or other classification.

The rates of Assessment for Lots within each Project, area, or other classification shall be established from time to time by resolution of the Board. The classification of a Lot for the purpose of determining the rate of Assessments shall be made by the Board in its sole discretion, and its decision shall be final.

Section 8.6. Date of Commencement of Annual Assessments and Payment Period. The Annual Assessments shall commence as to all Lots in the first phase of each Project no later than sixty (60) days after the date of the first conveyance by Declarant of a Lot in that Project to an Owner. The first Annual Assessment shall be prorated according to the number of months remaining in the calendar year. The Annual Assessments shall commence for Lots contained in each phase of Expansion Property incorporated in the Property on the first day of the month following the recording of the Declaration of Annexation incorporating them into the Property, and shall be prorated according to the number of months remaining in the calendar year.

Section 8.7. Collection. Assessments shall be collected on a periodic basis as the Board of Directors may determine from time to time, but until the Board directs otherwise, Assessments shall be payable monthly in advance on the first day of each calendar month. Any Project Association may agree with the Master Association to collect regular Annual or Special Assessments of the Master Association as part of its Project Assessments and remit them to the Master Association on a timely basis. Collection of the Master Association's Assessments in this manner shall not prevent the creation of the Master Association's lien against any Lot or impair the Master Association's ability to enforce or collect its Assessments as provided under this Declaration if they are not remitted to the Master Association in a timely manner. The omission or failure of the Master Association to fix Assessments for any Assessment period will not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association will have the right, but not the obligation, to make pro-rata refunds of any Assessments in excess of the actual expenses incurred in any fiscal year. Any such excess funds not refunded will be applied to the next installment(s) of Annual Assessments due.

Section 8.8. Default Assessments. All monetary fines, penalties, interest or other charges or fees assessed against an Owner pursuant to the Walking Stick Vista Rules, or any expense of the Master Association which is the obligation of an Owner or which is incurred by the Master Association on behalf of the Owner pursuant to the Walking Stick Vista Rules and any expense (including, without limitation, attorneys' and legal assistants' fees) incurred by the Master Association as a result of the failure of an Owner to abide by the Walking Stick Rules, shall be a Default Assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in this Declaration and in accordance with the Act.

Section 8.9. Effect of Nonpayment of Assessment; Lien; Remedies of Master Association. Any Assessment installment, whether pertaining to Annual, Special, or Default Assessments, which is not paid within thirty (30) days after its due date shall be delinquent. In the event that an Assessment installment becomes delinquent or in the event any Default Assessment is established under this Declaration, the Master Association, in its sole discretion, may take any or all of the following actions:

- 8.9.1 Assess a late charge for each delinquency at uniform rates set by the Board of Directors from time to time;
- 8.9.2 Assess an interest charge from the date of delinquency at the Default Rate;
- 8.9.3 Suspend the voting rights of the Owner during any period of delinquency;
- 8.9.4 Accelerate all remaining Assessment installments for the fiscal year in question so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

8.9.5 Bring an action at law against any Owner personally obligated to pay the delinquent installments;

8.9.6 File a statement of lien with respect of the Lot, and foreclose as set forth in more detail below.

The remedies provided under this Declaration shall not be exclusive, and the Master Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

Any Assessment chargeable to a Lot shall constitute a lien on the Lot, effective the due date of the Assessment. To evidence the lien, the Master Association may, but shall not be obligated to, prepare a written lien statement with respect to the Lot, setting forth the name of the Owner, the legal description of the Lot, the name of the Master Association, and the delinquent Assessment amounts then owing. Any such statement shall be duly signed and acknowledged by the President or a Vice-President of the Master Association or by the Manager, and shall be served upon the Owner of the Lot by mail to the address of the Lot or at such other address as the Master Association may have in its records for the Owner. At least ten (10) days after the Master Association mails the statement to the Owner, the Master Association may record the statement in the office of the Clerk and Recorder of Pueblo County, Colorado. Thirty (30) days following the mailing of such notice to the Owner, the Master Association may proceed to foreclose the statement of lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Colorado. Such lien shall be in favor of the Master Association and shall be for the benefit of all other Owners. In either a personal action or foreclosure action, the Master Association shall be entitled to recover as a part of the action, the interest, costs, and reasonable attorneys' fees (including legal assistants' fees) with respect to the action. The Master Association shall have the power to bid on a Lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot.

No Owner may waive or otherwise escape liability for the Assessments provided for in this Declaration by nonuse of the Common Area or by abandonment of his Lot.

Section 8.10. Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Master Association's perpetual lien for such Assessments, all successors to the fee simple title of a Lot, except as provided in Section 8.11 below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees and legal assistants' fees against such Lot without prejudice to any such successor's right to recover from any prior Owner any amounts paid by such successor. This liability of a successor shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Lot. In addition, such successor shall be entitled to rely on the statement of status of Assessments by or on behalf of the Master Association under Section 8.13 below.

Section 8.11. Waiver of Homestead Exemption; Subordination of the Lien. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by any federal law or the laws of the State of Colorado. The Master Association's perpetual lien on a Lot for Assessments shall be superior to all other liens and encumbrances except the following:

8.11.1. Liens and encumbrances recorded before the date of the recording of this Declaration;

8.11.2. Liens for real estate taxes and other governmental assessments or charges duly imposed against the Lot by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

8.11.3. The lien for all sums unpaid on a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent, including any and all advances made by the First Mortgagee and notwithstanding that any of such advances may have been made subsequent to the date of attachment of the Master Association's lien; all subject, however, to the limitations of the Act.

With respect to subpart 8.11.3 above, any First Mortgagee who acquires title to a Lot by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, shall take the Lot free of any claims for unpaid Assessments, interest, late charges, costs, expenses, and attorneys' (legal assistants') fees against the Lot which accrue prior to the time such First Mortgagee or purchaser acquires title to the Lot, except as provided in the Act. All other persons who hold a lien or encumbrance not described is subpart 8.11.1 through 8.11.3 above shall be deemed to consent that any such lien or encumbrance shall be subordinate to the Master Association's future liens for Assessments, interest, late charges, costs, expenses and attorneys' (and legal assistants') fees, as provided in this Article VIII, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

Sale or transfer of any Lot to enforce any of the liens to which the lien for Assessments is subordinate shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer to the extent provided in the Act. The amount of such extinguished lien may be reallocated and assessed to all Lots as a Common Expense at the direction of the Board of Directors. However, no such sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, or the Lot from the lien of, any Assessments made after the sale or transfer.

Section 8.12. Exempt Property. The following portions of the Property shall be exempt from the Assessments, charges, and liens created under this Declaration:

8.12.1. All properties to the extent of any easement or other interest therein dedicated and accepted by the City of Pueblo and devoted to public use;

8.12.2. All utility lines and easements and;

8.12.3. Common Area and all Project Common Areas.

Section 8.13. Statement of Status of Assessments. The Master Association shall furnish to an Owner or his designee or to any Mortgagee a statement setting forth the amount of unpaid Assessments then levied against the Lot in which the Owner, designee or Mortgagee has an interest. The Association shall deliver the statement personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party within fourteen (14) calendar days after the registered agent of the Master Association receives the request by personal delivery or by certified mail, first-class postage prepaid, return receipt requested or as otherwise required by the Act. The information contained in such statement, when signed by the Treasurer of the Master Association or the Manager, shall be conclusive upon the Master Association, the

Board, and every Owner as to the person or persons to whom such statement is issued and who rely on it in good faith.

Section 8.14. Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment notice shall not be deemed a waiver, modification or release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Annual Assessments on the same basis as for the last year for which an Assessment was made until a new Assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Master Association in accordance with any budget procedures as may be required under the Act.

ARTICLE IX
SPECIAL DECLARANT RIGHTS
AND ADDITIONAL RESERVED RIGHTS

Section 9.1. General Provisions. Until the expiration of the Special Declarant Rights Period, Declarant shall have the following Special Declarant Rights with respect to all of the Property (including the Expansion Property):

9.1.1. Completion of Improvements. The right to complete Improvements as indicated on any Plat filed with respect to the Property;

9.1.2. Development Rights. The right to exercise all "development rights," as defined from time to time in the Act (and so referred to here as "Development Rights"), including without limitation the right or combination of rights hereby reserved by Declarant, as follows:

- (a) The right to annex all or part of the Expansion Property to the Project, in accordance with Article XV.
- (b) The right to create Lots and Common Area on the Property, subject to the limitations of Section 1.4.
- (c) The right to re-subdivide Lots and convert Lots into Common Area on any part of the Property, subject to the limitations of Section 1.4.
- (d) The right to withdraw real estate, whether contained within the Property initially subject to this Declaration or within the Expansion Property, from Declarant, as provided in Article XV.

9.1.3. Sales Activities. The right to maintain six (6) sales offices, six (6) management offices, up to fifty (50) signs advertising the Property and up to twenty (20) model residences on the Common Area and on Lots owned by Declarant, whether contained within the Property initially subject to this Declaration, or within the Expansion Property. The offices, model residences and signs will be of sizes and styles governed by the Design Guidelines, and may be relocated by Declarant from time to time. At all times, the offices, model residences and signs will remain the property of Declarant and may be removed from the Property by Declarant at any time during or promptly after the expiration of the Special Declarant Rights Period.

9.1.4. Easements. The right to use easements through the Common Area on the Property, including the Expansion Property, for the purpose of making Improvements on the Property and the Expansion Property. The right to grant and create or be the beneficiary of

temporary or permanent easements located in, on, under, over, and across Lots owned by Declarant for access, utilities, drainage, water and other purposes incident to development and sale of portions of the Property.

9.1.5. Project Associations. The right to make the Property subject to one or more Project Associations.

9.1.6. Association Directors and Officers. The right to appoint any officer or Director of the Master Association, as provided in this Declaration or the Bylaws, and subject to the limitations of the Act.

Section 9.2. Order of Exercise of Declarant's Rights. Declarant makes no representations and gives no assurances regarding the legal description or the boundaries of any phase of the Expansion Property or the order in which the phases of the Expansion Property may be developed or incorporated in Walking Stick Vista. Further, the fact that Declarant may exercise one or more of Declarant's Development Rights or other Special Declarant Rights on one portion of the Property (including the Expansion Property) shall not operate to require Declarant to exercise a Development Right or other Special Declarant Right with respect to or any other portion of the Property (including the Expansion Property).

Section 9.3. Supplemental Provisions Regarding Declarant's Rights. Without limiting the generality of the foregoing, certain of these Special Declarant Rights are explained more fully in this Article below. Further, Declarant reserves the right to amend this Declaration and any Plat in connection with the exercise of any Development Right or any other Special Declarant Right to the extent permitted by the Act, and Declarant also reserves the additional rights retained for the benefit of Declarant in this Article and in other provisions of this Declaration.

Section 9.4. Reservation for Expansion. Declarant hereby reserves for itself and its successors and assigns and for Owners in all future phases of Walking Stick Vista, a perpetual easement and right-of-way for access over, upon, and across the Property, including the Expansion Property, for construction, utilities, drainage, ingress and egress, and for use of the Common Area, including Common Area located within the Expansion Property. The location of these easements and rights-of-way may be made certain by Declarant or the Master Association by instruments recorded in Pueblo County, Colorado.

Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, and to create other reservations, exceptions and exclusions convenient or necessary for the development, use and operation of any other property of Declarant, as long as such action does not hamper the enjoyment of Walking Stick Vista, as built or expanded by the Owners.

Section 9.5. Reservation of Easements, Exceptions, and Exclusions for Utilities, Infrastructure, and Access. Declarant reserves for itself and its successors and assigns and hereby grants to the Master Association, acting through the Board of Directors, the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area and Project Common Area, for purposes including but not limited to street, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions in

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the interests of the Owners and the Master Association, in order to serve all the Owners within Walking Stick Vista, as initially built and expanded.

Declarant also reserves for itself and its successors and grants to the Master Association the concurrent right to establish from time to time by an instrument recorded in Pueblo County, Colorado, such easements, permits or licenses over the Common Area and Project Common Area for access by certain persons (other than Owners and Owners' families and guests) who may be permitted to use designated portions of the Common Area or Project Common Area as contemplated under this Declaration or any Project Declaration.

Section 9.6. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

Section 9.7. Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under, and across the Common Area and the Project Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment, or access to an Owner's Lot by that Owner or his family, tenants, employees, guests, or invitees.

Section 9.8. Easements Deemed Created. All conveyances of Lots hereafter made, whether by Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article IX, even though no specific reference to such easements or to this Article IX appears in the instrument for such conveyance.

Section 9.9. Approved Builders. Subject to approval by Declarant, and to the extent of specific assignments from Declarant to an Approved Builder and any limitations contained therein, Approved Builders shall have the right to construct or alter Improvements and complete development and construction on any Lot owned by the Approved Builder or an Owner who has contracted with an Approved Builder within the Property, including temporary buildings as approved by the DRC and the right to maintain model homes, approved by the DRC, to post signs subject to approval of the Declarant incidental to promotion, development, construction of Improvements, marketing, or sales of property within the boundaries of the Property.

ARTICLE X PROPERTY RIGHTS OF OWNERS

Section 10.1. Owners' Easements of Access and Enjoyment. Every Owner has a perpetual, nonexclusive easement for access to and from his Lot and for the use and enjoyment of the Common Area, which easement is appurtenant to and shall pass with the title to every Lot, subject to the provisions set forth in this Article.

Section 10.2. Delegation of Use. Any Owner may delegate, in accordance with this Declaration (including specifically, but without limitation, the Walking Stick Vista Rules), her/his rights of access and enjoyment described in Section 10.1 above to her/his tenants, employees, family, guests or invitees.

Section 10.3. Easements of Record and of Use. The Property shall be subject to all easements shown on any recorded Plat affecting the Property and to any other easements of record or of use as of the date of recordation of this Declaration.

Section 10.4. Partition or Combination of Lots. No part of a Lot may be partitioned or separated from any other part thereof, and no Lots may be combined, except as provided in this Section and subject to the limitations of Section 1.4 and the requirements of the Act. A Lot may be subdivided into two (2) or more Lots, or two (2) or more Lots may be combined into one (1), only with the written consent of Declarant (during the Special Declarant Rights Period) and the Board of Directors and in full compliance with all applicable Project Documents. Declarant's consent shall be conditioned upon payment by the Owner or Owners concerned of all expenses incident to giving the consent, including legal and accounting fees. Every agreement and recorded instrument for partition or combination of Lots shall make adequate provision for the preservation of easements previously reserved with respect to the Lots, and the adjustment of voting rights and liability for payment of Assessments appurtenant to or imposed on such Lots.

Whether partitioned, combined, or unchanged, each Lot shall be conveyed, transferred, gifted, devised, bequeathed, encumbered, or otherwise disposed of, as the case may be, with all appurtenant rights and interests created by law or by this Declaration, including the Owner's membership in the Master Association and the right to use the Common Area, and with the appropriate allocation of voting rights, as provided in Section 4.5 above, and liability for Assessments as established for such classification of Lot by the Board of Directors.

Section 10.5. No Partition of Common Area. The Common Area shall be owned by the Master Association, and no Owner shall bring any action for partition or division of the Common Area. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived such Owner's rights to institute or maintain a partition action or any other action designed to cause a division of the Common Area, and this Section may be pleaded as a bar to any such action. Any Owner who shall institute or maintain any such action shall be liable to the Master Association, and hereby agrees to reimburse the Master Association for its costs, expenses, and reasonable attorneys' (and legal assistants') fees in defending any such action.

ARTICLE XI INSURANCE AND FIDELITY BONDS

Section 11.1. Authority to Purchase. All insurance policies relating to the Common Area shall be purchased by the Board of Directors or its duly authorized agent. The Board of Directors, the Manager, and Declarant shall not be liable for failure to obtain any coverage required by this Article XI or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies, or if such coverage is available only at demonstrably unreasonable costs. Notwithstanding the foregoing, if the insurance described in Sections 11.3 and 11.4 below is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy having been obtained, the Master Association promptly shall cause notice of that fact to be hand delivered or otherwise delivered to all Owners by such methods as required by the Act.

Section 11.2. General Insurance Provisions. All such insurance coverage obtained by the Board of Directors shall conform to any minimum requirements of the Act, and, to the extent not inconsistent with the Act, the following provisions:

11.2.1. As long as Declarant owns any Lot, Declarant shall be protected by all such policies in the same manner as any other Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article XI shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such coverage be deemed to protect Declarant for (or waive any rights with respect to) warranty claims against Declarant as the developer of Walking Stick Vista.

11.2.2. The deductible, if any, on any insurance policy purchased by the Board of Directors may be treated as a Common Expense payable from Annual Assessments or Special Assessments allocable to all of the Lots or to only some of the Lots, if the claims or damages arise from the negligence of particular Owners, or if the repairs benefit only particular Owners, or as an item to be paid from working capital reserves established by the Board of Directors. Except as otherwise set forth in this Article, the maximum deductible amount shall be the lesser of ten thousand dollars (\$10,000.00) or one percent (1%) of the policy face amount.

Section 11.3. Physical Damage Insurance on Common Area. The Master Association shall obtain insurance for all insurable Improvements, if any, on the Common Area in an amount equal to the full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, depreciation on personal property, and other items normally excluded from coverage), which shall include all building service equipment and the like, common personal property and supplies, and any fixtures or equipment within the Common Area. In addition, such policy shall afford protection against at least the following:

11.3.1. Loss or damage by fire and other hazards covered by the standard extended coverage endorsement with the standard "all-risk" endorsement covering sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage.

11.3.2. In the event the Common Area contains a steam boiler, a broad form policy of repair and replacement boiler and machinery insurance in the lesser of (i) the amount of the insurable value of the building housing the boiler, or (ii) two million dollars (\$2,000,000) (or such other amount as the Board deems advisable).

11.3.3. Such other risks as shall customarily be covered with respect to projects similar in construction, location, and use to Walking Stick Vista.

In contracting for the insurance coverage obtained pursuant to this Section above, the Board of Directors shall be required to make reasonable efforts to secure coverage which provides the following:

- (i) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Declaration not to do so.
- (ii) The following endorsements (or equivalents): (a) "cost of demolition;" (b) "contingent liability from operation of building laws or codes;" (c) "increased cost of construction;" (d) "agreed amount" or elimination of co-insurance clause; and (e) "inflation guard" (if available).

Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Board of Directors may deem advisable, the Board of Directors shall obtain an appraisal from a general contractor or such other source as the Board may determine of the then current replacement cost of the Property (exclusive of the land, excavations, foundations

and other items normally excluded from such coverage) subject to insurance carried by the Master Association, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Article.

Section 11.4. Liability Insurance. The Master Association shall obtain a comprehensive policy of commercial general liability insurance (including bodily injury, libel, slander, false arrest, and invasion of privacy coverage) and property damage insurance with such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Master Association, the Manager, each Owner and the respective employees, agents and all persons acting as agents of the Master Association against any liability to the public or the Owners (and their guests, invitees, tenants, agents and employees) arising in connection with the ownership, operation, maintenance, or use of the Common Area and streets and roads within Walking Stick Vista and any other areas under the control of the Master Association. Declarant shall be included as an additional insured in Declarant's capacity as an Owner or Director. The Owners shall be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area.

Such comprehensive policy of public liability insurance shall include the following:

11.4.1. Coverage for contractual liability, liability for non-owned and hired automobiles, and, if applicable, host liquor liability; employer's liability, and such other risks as shall customarily be covered with respect to developments similar to Walking Stick Vista in construction, location and use.

11.4.2. A cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another insured.

11.4.3. A "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of the negligent acts of the Master Association or another Owner.

The Board of Directors shall review the coverage limits at least once every two (2) years, but, generally, the Board shall carry such amounts of insurance usually required by private institutional mortgage lenders on projects similar to Walking Stick Vista, and in no event shall such coverage be less than one million dollars (\$1,000,000.00) for all claims for bodily injury or property damage arising out of one occurrence. Reasonable amount of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than two million dollars (\$2,000,000.00).

Section 11.5. Fidelity Insurance. Fidelity bonds shall be maintained by the Master Association to protect against dishonest acts on the part of its officers, Directors, trustees, and employees, and on the part of all others who handle or are responsible for handling the funds of or administered by the Master Association. In addition, if responsibility for handling funds is delegated to a Manager, such bonds shall be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Master Association as an obligee and shall be written in such an amount as the Board may determine appropriate, and in any event in the minimum amount, if any, prescribed by the Act. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. Such

bonds shall cover the maximum funds that will be in the custody of the Master Association or any management agent at any time while the bond is in force.

Section 11.6. Flood Insurance. If any part of the Improvements, if any, on the Common Area are located in a Special Flood Hazard Area, which is designated A, AE, AH, AO, A1-30, A-99, V, VE or V1-30 on a Flood Insurance Rate Map, the Master Association shall obtain a policy of flood insurance in an amount equal to one hundred percent (100%) of the insurable value of the Improvements or the maximum coverage available under the appropriate National Flood Insurance Administration program. The maximum deductible amount shall be the lesser of five thousand dollars (\$5,000.00) or one percent (1%) of the policy face amount.

Section 11.7. Provisions Common to Physical Damage Insurance, Liability Insurance, Fidelity Insurance and Flood Insurance. Any insurance coverage obtained by the Master Association under the provisions of this Article above shall be subject to the following provisions and limitations:

11.7.1. The named insured under any such policies shall include Declarant, until all of the Lots in Walking Stick Vista have been conveyed, and the Master Association, as attorney-in-fact for the use and benefit of the Owners, or the authorized representative of the Master Association (including any trustee with whom the Master Association may enter into an insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under such policies.

11.7.2. Each Owner shall be an insured person with respect to liability arising out of the Owner's interest in the Common Area or membership in the Master Association.

11.7.3. In no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgages.

11.7.4. The policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Owner (including an Owner's family, tenants, servants, agents, invitees, and guests) when such an act or neglect is not within the control of the Master Association, or (ii) any act or neglect or failure of the Master Association to comply with any warranty or condition with regard to any portion of the Property over which the Master Association has no control; or (iii) conduct of any kind on the part of an Owner (including the Owner's family, tenants, servants, agents, and guests) or any Director, officer, employer, or Manager of the Master Association, without prior demand to the Association and a reasonable opportunity to cure the matter.

11.7.5. The policies shall contain the standard mortgage clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be cancelled in the middle or at the end of any policy year or other period of coverage or substantially modified or reduced (including cancellation for nonpayment of premiums) without at least thirty (30) days' prior written notice mailed to the Master Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

11.7.6. The policies shall contain a waiver by the insurer of any right to claim by way of subrogation against Declarant, the Board of Directors, the Master Association, the

Manager, and any Owner and their respective agents, employees, or tenants, and in the case of Owners, member of their households, and of any defenses based upon co-insurance.

11.7.7. The policies described in Sections 11.3 and 11.4 above shall provide that any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Board shall be deemed primary coverage, and any individual owners' policies shall be deemed excess coverage.

Section 11.8. Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate officers' and directors' personal liability insurance shall be obtained by the Master Association to protect the officers and Directors from personal liability in relation to their duties and responsibilities in acting as such officers and Directors on behalf of the Master Association.

Section 11.9. Workman's Compensation Insurance. The Master Association shall obtain workmen's compensation or similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

Section 11.10. Other Insurance. The Master Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it deems appropriate with respect to the Master Association's responsibilities and duties.

Section 11.11. Insurance Obtained by Owners. Each Owner shall have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the Owner's personal property and personal liability (except to the extent any Owner's Lot is encumbered by an easement conveyed to the Master Association as Common Area, or to a Project Association as Project Common Area). In addition, each Owner may obtain such other and additional insurance coverage on and in relation to his/her Lot as such Owner concludes to be desirable; provided, however, that no insurance coverage obtained by an Owner shall operate to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Master Association or cause the diminution or termination of that coverage. Any such insurance obtained by an Owner shall include a waiver of the particular insurance company's right of subrogation against the Master Association and other Owners.

ARTICLE XII
MASTER ASSOCIATION AS ATTORNEY-IN-FACT

Each and every Owner hereby irrevocably constitutes and appoints the Master Association as such Owner's true and lawful attorney-in-fact in such Owner's name, place, and stead for the purpose of dealing with the Improvements on the Common Area upon damage or destruction as provided in this Article or a complete or partial taking as provided in this Article or a complete or partial taking as provided in Article XIV below. Acceptance by any grantee of a deed or other instrument of conveyance from Declarant or from any Owner shall constitute appointment of the Master Association as attorney-in-fact as provided in this Article. As attorney-in-fact, the Master Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Master Association as attorney-in-fact.

ARTICLE XIII
DAMAGE OR DESTRUCTION

Section 13.1. Estimate of Damage or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Common Area, the Master Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Common Area so damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed Improvements to substantially the same condition in which they existed prior to the damage or destruction.

Section 13.2. Repair and Reconstruction. As soon as practical after obtaining estimates, the Master Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Improvements. As attorney-in-fact for the Owners, the Master Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Master Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 13.3. Funds for Repair and Reconstruction. The proceeds received by the Master Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Master Association may, pursuant to Section 8.4 above, levy, assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners, except as provided in Section 8.4, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

Section 13.4. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Master Association and the amounts received from the Special Assessments provided for in Section 8.4 above constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment to the Master Association under Section 8.4 above, or, if no Special Assessments were made, then on the basis of the allocation to the Owners of Common Expenses under Section 8.3 above, first to the Mortgagees and then to the Owners, as their interests appear.

Section 13.5. Decision Not to Rebuild. If Owners representing at least seventy-five percent (75%) of the votes in the Master Association, including the vote of every Owner of Improvements that will not be restored and including, during the Special Declarant Rights Period, the vote of Declarant, and any other votes required by the Act, agree in writing not to repair and reconstruct and no alternative Improvements are authorized, then and in that event the Property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Master Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with the Act.

Section 13.6. Damage or Destruction Affecting Lots. In the event of damage or destruction to the Improvements located on any of the Lots, the Owner thereof shall promptly repair and restore the damaged Improvements to their condition prior to such damage or destruction. If such repair or restoration is not commenced within one-hundred and eighty (180) days from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned for a period of more than ninety (90) days, then the Master Association may, after notice and hearing as provided in the Bylaws, impose a fine accruing at the rate of one thousand dollars (\$1,000.00) per day or such other rate imposed by the Board in compliance with the Act, charged against the Owner of the Lot until repair and reconstruction is commenced, unless the owner can prove to the satisfaction of the Master Association that such failure is due to circumstances beyond the Owner's control. Such fine shall be a Default Assessment and lien against the Lot as provided in Section 8.8 above.


ARTICLE XIV CONDEMNATION

Section 14.1. Rights of Owners. Whenever all or any part of the Common Area shall be taken or conveyed in lieu of and under threat of condemnation by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking, but the Master Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 14.2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Master Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which Improvements have been constructed, then, unless, within sixty (60) days after such taking, Owners representing at least fifty percent (50%) of the votes in the Master Association, including, during the Special Declarant Rights Period, the vote of Declarant, shall otherwise agree, the Master Association shall restore or replace such Improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in accordance with plans approved by the Board of Directors, the DRC, the City of Pueblo, if required, and any other authority having jurisdiction in such matters. If such Improvements are to be repaired or restored, the provisions in Article XIII above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any Improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed on the basis of the Common Expenses allocated to the Owners under Section 8.3 above, first to the Mortgagees and then to the Owners, as their interests appear.

Section 14.3. Complete Condemnation. If all of Walking Stick Vista is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Area shall be distributed as provided in Section 14.2 above.

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ARTICLE XV
EXPANSION AND WITHDRAWAL

Section 15.1. Reservation of Right to Expand. Declarant reserves the right, but shall not be obligated, to expand the effect of this declaration to include all or part of the Expansion Property. The consent of the existing Owners and Mortgagees shall not be required for any such expansion, and Declarant may proceed with such expansion without limitation at its sole option. Declarant shall have the unilateral right to transfer to any other person this right to expand by an instrument duly recorded. Declarant shall pay all taxes and other government assessments relating to the Expansion Property as long as Declarant is the owner of such property.

Section 15.2. Incorporation of Additional Expansion Property. Declarant also reserves the right to incorporate into the Property real property that is not part of the Expansion Property, subject to the limitations of the Act.

Section 15.3. Declaration of Annexation. Any expansion may be accomplished by recording a Declaration of Annexation and one or more supplemental Plats in the records of the Clerk and Recorder of Pueblo County, Colorado, on or before the expiration of the Special Declarant Rights Period. The Declaration of Annexation shall describe the real property to be expanded, submit it to the covenants, conditions, and restrictions contained in this Declaration, designate it as the whole or part of a Project, if the Expansion Property parcel subjected to this Declaration in that instance does in fact constitute all or part of a Project, and provide for voting rights and Assessment allocations as provided in this Declaration. Specifically, each such Lot shall be allocated one vote and liability for the Common Expenses equal to the liability allocated to each of the other Lots, and the proportionate voting interest and allocation of Common Expenses for the other Lots will be adjusted accordingly. Such Declaration of Annexation shall not require the consent of Owners. Any such expansion shall be effective upon the filing for record of such Declaration of Annexation, unless otherwise provided therein. The expansion may be accomplished in stages by successive supplements or in one supplemental expansion.

Upon recordation of any such Declaration of Annexation, the definitions used in this Declaration shall be expanded automatically to encompass and refer to Walking Stick Vista as expanded. Such Declaration of Annexation may add supplemental covenants peculiar to the Expansion Property in question, or delete or modify provisions of this Declaration as it applies to the Expansion Property added. However, this Declaration may not be modified with respect to that portion of the Property already subject to this Declaration, except as provided below for amendment.

Upon the annexation of any additional Common Area or any other parcels of the Expansion Property or other real estate into Walking Stick, the obligations of the Master Association for the maintenance and operation of the Common Area or other properties maintained by the Master Association for the use of benefit of the Owners, and the Assessments levied to fund those functions, may be increased appropriately, subject to the budget procedures set forth in the Walking Stick Vista Documents and the Act.

Section 15.4. Withdrawal of Property. Declarant reserves the right to withdraw from the jurisdiction of these Covenants any parcel of the Property (including Expansion Property), subject to the limitations of the Act during a period ending forty-one (41) years from the date of recordation of this Declaration. After withdrawal of any parcel from the regime of this

declaration, the Common Expenses and votes attributable to the Lots remaining in the Property shall be allocated in accordance with Sections 4.5, 8.3 and 8.4 above.

Section 15.5. Time Limit for Expansion. The time limit for Declarant to exercise any development rights for expansion of the Property shall be exercised no later than forty-one (41) years from the date of recordation of this Declaration, which is the initial term for this agreement of twenty-one (21) years plus renewals of two additional ten (10) years, pursuant to Section 19.1.

ARTICLE XVI MORTGAGE PROTECTIONS

Section 16.1. Introduction. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Mortgages. This Article is supplemental to, and not in substitution for, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

Section 16.2. Percentage of Eligible Mortgage Holders. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgage Holders is required, it shall mean the approval or consent of Eligible Mortgage Holders under Mortgages encumbering Lots which in the aggregate have allocated to them such specified percentage of votes in the Master Association when compared to the total allocated to all Lots then subject to Mortgages held by Eligible Mortgage Holders.

Section 16.3. Notice of Actions. The Master Association shall give prompt written notice to each Eligible Mortgage Holder of the following:

16.3.1. Any condemnation loss or any casualty loss which affects a material portion of the Common Area or any Lot in which an interest is held by the Eligible Mortgage Holder.

16.3.2. Any delinquency which remains uncured for sixty (60) days in the payment of Assessments by an Owner whose Lot is encumbered by a Mortgage held by such Eligible Mortgage Holder.

16.3.3. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Master Association.

16.3.4. Any proposed action which would require the consent of Eligible Mortgage Holders as required in Section 16.4 below.

16.3.5. Any judgment rendered against the Master Association.

Section 16.4. Consent Required.

16.4.1. Document Changes. No amendment of any material provision of this Declaration described in this Section 16.4.1 may be effective without the vote of at least seventy-five percent (75%) of the Owners in the Master Association (subject to Section 19.3 below) and the approval in writing of at least fifty-one percent (51%) of the Eligible Mortgage Holders. "Material" provisions include any provision affecting the following:

(a) Assessments, Assessment liens, or subordination or the priority of Assessment liens.

(b) Voting rights.

- (c) Reserves for maintenance, repair, and replacement of Common Area
- (d) Responsibility for maintenance and repairs.
- (e) Rights to use the Common Area.
- (f) Expansion or contraction of Walking Stick Vista, or the addition, annexation or withdrawal of property to or from Walking Stick Vista, except as provided in Article XV above.
- (g) Insurance or fidelity bonds.
- (h) Imposition of any restrictions on an Owner's right to sell or transfer his Lot.
- (i) Restoration or repair of the Property after hazard damage or partial condemnation in a manner other than that specified in this Declaration.
- (j) Termination of this Declaration after the occurrence of substantial destruction or condemnation.
- (k) The benefits of Eligible Mortgage Holders

16.4.2. Actions. The Master Association may not take any of the following actions, except as such rights have been specifically reserved by Declarant under the provisions of this Declaration, without the approval of at least fifty-one percent (51%) of the Eligible Mortgage Holders:

- (a) Conveyance or encumbrance of the Common Area (provided, however, that the granting of easements for public utilities, for construction and maintenance of roads within Walking Stick Vista, or for other public purposes not inconsistent with the use of the Common Area by the Owners shall not be deemed a transfer within the meaning of this clause).
- (b) Restoration or repair of the Property (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration.
- (c) Termination of this Declaration for reasons other than substantial destruction or condemnation, as permitted with the approval percentages specified in Articles XIII or XIV above.
- (d) Merger of Walking Stick Vista with any other common interest community.
- (e) The granting of easements, leases, licenses or concessions through or over the Common Area (excluding, however, any such grants for public utilities or other public purposes not inconsistent with the use of the Common Area by the Owners).
- (f) The assignment of the future income of the Master Association, including its right to receive Assessments.
- (g) Any action not to repair or replace the Common Area except as permitted under Articles XIII and XIV above.

Section 16.5 Notice of Objection. Unless an Eligible Mortgage Holder provides the Secretary of the Association with written notice of its objection, if any, to any proposed amendment or action outlined above within thirty (30) days following the receipt of notice delivered by certified or registered mail, return receipt requested, or such proposed amendment or action, the Eligible Mortgage Holder shall be deemed conclusively to have approved the proposed amendment of action.

Section 16.6. First Mortgagees' Rights.

16.6.1. Payment of Taxes and Insurance. First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Area or improvements thereon, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area. First Mortgagees making such payments shall be owed immediate reimbursement from the Master Association.

16.6.2. Payment of Assessments. Eligible Mortgage Holders shall be entitled to cure any delinquency of the Owner of the Lot encumbered by the Eligible Mortgage Holder in the payment of Assessments of which the Eligible Mortgage Holder has received notice under Section 16.3.2. above. In that event, the Eligible Mortgage Holder shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 16.7. Title Taken by First Mortgage. Any First Mortgagee who obtains title to the Lot pursuant to the remedies provided in the First Mortgage, including foreclosure of the First Mortgage, shall be liable for all Assessments due and payable as of the date title to the Lot vests in the First Mortgagee Act, under the statutes of Colorado governing foreclosures. Except as provided in the Act, such First Mortgagee shall not be liable for any unpaid dues and charges attributable to the Lot which accrue prior to the date such title vests in the First Mortgagee.

ARTICLE XVII
ENFORCEMENT OF COVENANTS

Section 17.1. Violations Deemed a Nuisance. Every violation of this Declaration or any other of the Walking Stick Vista Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement or correction of the violation. In addition, all public and private remedies allowed at law or in equity against anyone in violation of these Covenants shall be available.

Section 17.2. Compliance. Each Owner or other occupant of any part of the Property shall comply with the provisions of the Walking Stick Vista Documents as the same may be amended from time to time.

Section 17.3. Failure to Comply. Failure to comply with the Walking Stick Vista Documents shall be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing as provided in the Bylaw shall be given to the delinquent party prior to commencing any legal proceedings.

Section 17.4. Who May Enforce. Any action to enforce the Walking Stick Vista Documents may be brought by Declarant, the Board, the Design Review Committee, or the Manager in the name of the Master Association on behalf of the Owners. If, after a written request from an aggrieved Owner, none of the foregoing persons or entities commences an action to enforce the Walking Stick Vista Documents, then the aggrieved Owner may bring such an action.

Section 17.5. Remedies. In addition to the remedies set forth above in this Article, any violation of the Walking Stick Documents shall give to the Board, the Manager, the Design Review Committee or Declarant, on behalf of the Owners, the right to enter upon the offending premises or take appropriate peaceful action to abate, remove, modify, or replace, at the expense of the offending Owner, any structure, thing or condition that may exist thereon contrary to the interest of the Owners and the meaning of the Walking Stick Vista Documents. If the offense occurs on any easement, walkway, Common Area or the like, the cure shall be at the expense of the Owner or other person responsible for the offending condition.

Section 17.6. Nonexclusive Remedies. All the remedies set forth herein are cumulative and not exclusive.

Section 17.7. No Waiver. The failure of the Board of Directors, Declarant, the Design Review Committee, the Manager, or any aggrieved Owner to enforce the Walking Stick Vista Documents shall not be deemed a waiver of the right to do so for any subsequent violation or of the right to enforce any other part of the Walking Stick Vista Documents at any future time.

Section 17.8. No Liability. No member of the Board of Directors, Declarant, the Design Review Committee, the Manager or any Owner shall be liable to any other Owner for the failure to enforce any of the Walking Stick Vista Documents at any time.

Section 17.9. Recovery of Costs. If legal assistance is obtained to enforce any of the provisions of the Walking Stick Vista Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Walking Stick Vista Documents or the restraint of violations of the Walking Stick Vista Documents, the prevailing party shall be entitled to recover all costs incurred by it in such action, including reasonable attorneys' fees (and legal assistants' fees) as may be incurred, or if suit is brought, as may be determined by the court.

ARTICLE XVIII

RESOLUTION OF DISPUTES

If any dispute or question arises between Members or between Members and the Master Association or relating to the interpretation, performance or nonperformance, violation, or enforcement of the Walking Stick Vista Documents, such dispute or violation may be subject to a hearing and determination by the Board in accordance with the procedures in the Bylaws.

ARTICLE XIX

DURATION OF THESE COVENANTS AND AMENDMENT

Section 19.1. Term. This Declaration and any amendments or supplements hereto shall remain in effect from the date of recordation until the twenty first (21st) anniversary of the date this Declaration is first recorded in the Office of the Clerk and Recorder of Pueblo County, Colorado. Thereafter these Covenants shall be automatically extended for successive periods of ten (10) years each, unless otherwise terminated or modified as provided below.

Section 19.2. Amendment. Except as otherwise provided in this Article XIX, this Declaration, or any provision of it, may be terminated, extended, modified, or amended, or revoked as to the whole or any portion of the Property, upon the written consent of Owners holding sixty-seven percent (67%) or more of the votes in each Electoral District (established under the Bylaws) in the Master Association, allocated pursuant to Section 4.5 above, and upon compliance with Article XVI above, as appropriate. Amendments made pursuant to this Section

shall inure to the benefit of and be binding upon all Owners of any part of the Property, their family, tenants, guests, invitees, and employees, and their respective heirs, successors, and assigns. A certificate of a licensed abstract or title company showing record ownership of the Property and a certificate of the Secretary of the Master Association documenting votes held and voting rights exercised on the basis of such ownership records shall be evidenced of such ownership and voting representation for the purposes of any such amendment.

Section 19.3. Requirement for Declarant's Approval Generally. Notwithstanding the provisions of Section 19.2, (i) no termination, extension, modification, amendment or restatement of this Declaration may be made during the Period of Declarant Control without Declarant's written consent; and (ii) no termination, extension, modification, amendment or restatement of this Declaration may be made during the Special Declarant Rights Period affecting (1) the right of Declarant to appoint the Design Review Committee, (2) any Special Declarant Right or other right expressly reserved to the Declarant under this Declaration or (3) the protection of Declarant's rights under this Article 19, without Declarant's written consent.

Section 19.4. Notice of Amendment. No amendment or revocation of this Declaration shall be effective unless a written notice of the proposed amendment is sent to every Owner reasonably in advance of any action taken or purported to be taken and such Owner has been given the opportunity to vote or give its consent thereto.

Section 19.5. Effective on Recording. Any modification, amendment or revocation shall be immediately effective upon recording in Pueblo County, Colorado, a copy of such amendment, modification, or revocation executed and acknowledged by the necessary number of Owners (and by Declarant, as required), accompanied by a certificate of a licensed abstract or title company as to ownership, or alternatively, upon the recording in Pueblo County, Colorado, of a copy of the amendment, modification or revocation together with a duly authenticated certificate of the Secretary of the Master Association stating that the required number of consents of Owners were obtained, as evidenced by a certificate of a licensed title or abstract company or other authoritative evidence of compliance with the requirements of this Declaration regarding amendments, which shall be placed on file in the office of the Master Association.

ARTICLE XX - MISCELLANEOUS PROVISIONS

Section 20.1. Severability. This Declaration, to the extent possible, shall be construed or reformed so as to give validity to all of its provisions. Any provision of this Declaration found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating any other party hereof.

Section 20.2. Construction. In interpreting words in this Declaration, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

Section 20.3. Headings. The headings are included only for purposes of convenient reference, and they shall not affect the meaning or interpretation of this Declaration.

Section 20.4. Waiver. No failure on the part of the Master Association of the Board to give notice of default or to exercise or to delay in exercising any right or remedy shall operate as a waiver, except as specifically provided above in the event the Board fails to respond to certain requests. No waiver shall be effective unless it is in writing and signed by the President or Vice President of the Board on behalf of the Master Association.

Section 20.5. Limitation and Liability. Neither the Master Association nor any officer or member of the Board shall be liable to any party for any action or for any failure to act with respect to any matter arising by, through or under the Walking Stick Vista Documents if the action or failure to act was made in good faith. The Master Association shall indemnify all of the officers and Board members with respect to any act taken in their official capacity to the extent provided in this Declaration and by law and in the Articles of Incorporation and Bylaws.

Section 20.6. Conflicts Between Documents. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

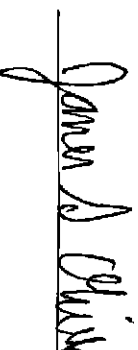
Section 20.7. Assignment. Subject to the requirements and limitations of the Act, Declarant may assign all or any part of the Special Declarant Rights or any of Declarant's other rights and reservations hereunder to any successor who takes title to all or part of the Property in a bulk purchase for the purpose of development and sale. Such successor shall be identified, the particular rights being assigned shall be specified, and, to the extent required, concomitant obligations shall be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Pueblo County, Colorado.

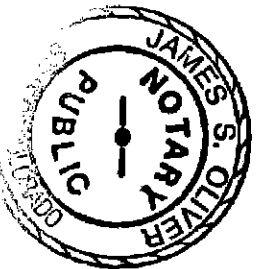
Encore Communities USA, LLP


By: Larry Belkin - Partner

STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 16th day of April, 2010, by Larry Belkin, Partner of Encore Communities USA, LLP. WITNESS my hand and official seal. My commission expires December 15, 2010.

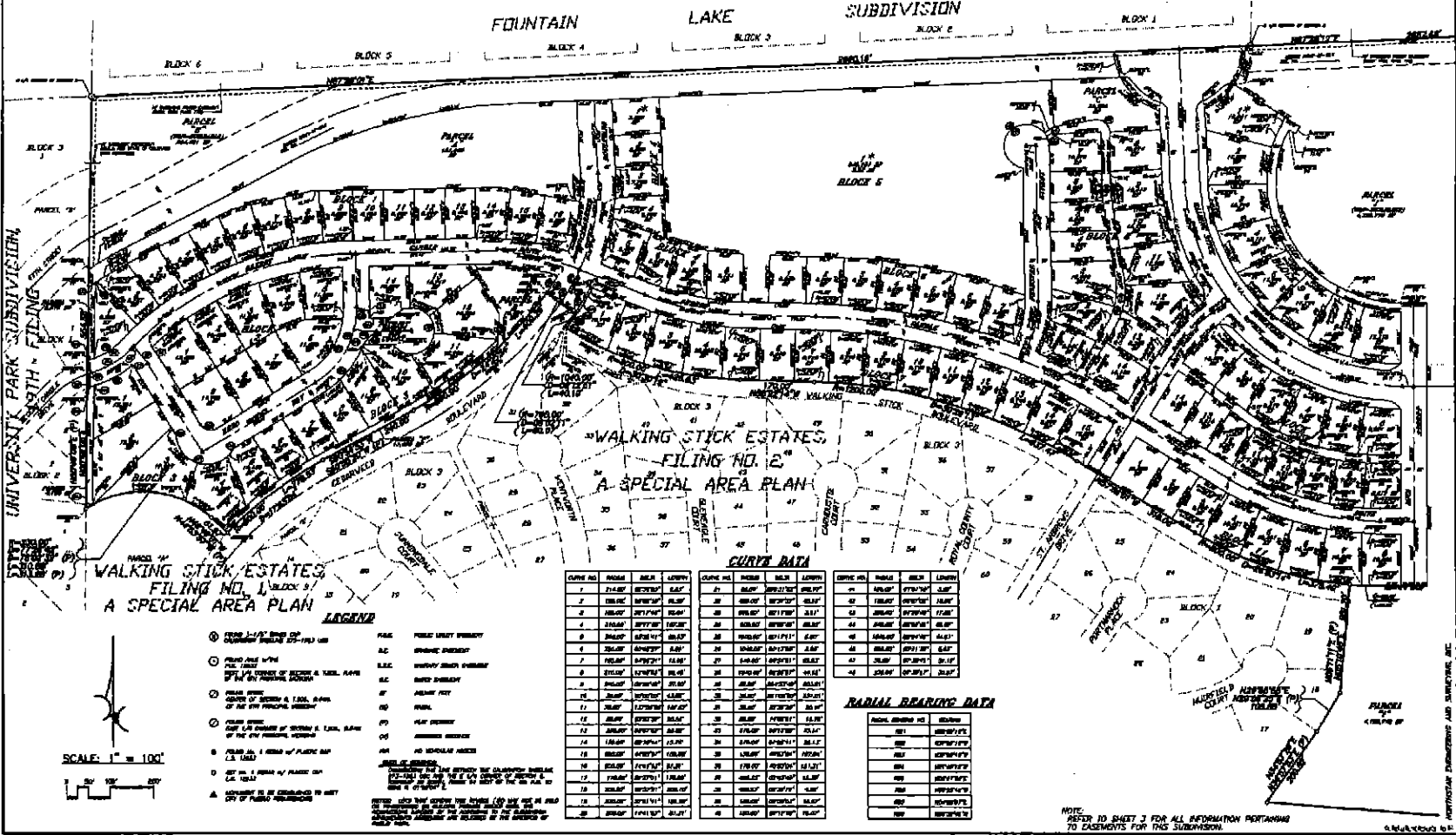

James S. Oliver Notary Public



WALKING STICK VISTA, FILING NO. 1

A RESUBMISSION OF A PORTION OF WALKING STICK ESTATES, FILING NO. 2, A SPECIAL AREA PLAN AND A PORTION OF THE S 1/2 OF SECTION 8, TOWNSHIP 20 SOUTH, RANGE 64 WEST OF THE 6TH P.M. COUNTY OF PUEBLO, STATE OF COLORADO

FOUNTAIN LAKE SUBDIVISION



CURVE DATA

CURVE NO.	INSIDE	BEAR	BEAR	LENGTH	CURVE NO.	INSIDE	BEAR	BEAR	LENGTH	CURVE NO.	INSIDE	BEAR	BEAR	LENGTH
1	21.840'	82°32'30"	84.5'	21	84.00'	82°32'30"	84.5'	41	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
2	18.00'	82°32'30"	84.5'	22	84.00'	82°32'30"	84.5'	42	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
3	18.00'	82°32'30"	84.5'	23	84.00'	82°32'30"	84.5'	43	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
4	18.00'	82°32'30"	84.5'	24	84.00'	82°32'30"	84.5'	44	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
5	18.00'	82°32'30"	84.5'	25	84.00'	82°32'30"	84.5'	45	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
6	18.00'	82°32'30"	84.5'	26	84.00'	82°32'30"	84.5'	46	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
7	18.00'	82°32'30"	84.5'	27	84.00'	82°32'30"	84.5'	47	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
8	18.00'	82°32'30"	84.5'	28	84.00'	82°32'30"	84.5'	48	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
9	18.00'	82°32'30"	84.5'	29	84.00'	82°32'30"	84.5'	49	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
10	18.00'	82°32'30"	84.5'	30	84.00'	82°32'30"	84.5'	50	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
11	18.00'	82°32'30"	84.5'	31	84.00'	82°32'30"	84.5'	51	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
12	18.00'	82°32'30"	84.5'	32	84.00'	82°32'30"	84.5'	52	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
13	18.00'	82°32'30"	84.5'	33	84.00'	82°32'30"	84.5'	53	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
14	18.00'	82°32'30"	84.5'	34	84.00'	82°32'30"	84.5'	54	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
15	18.00'	82°32'30"	84.5'	35	84.00'	82°32'30"	84.5'	55	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
16	18.00'	82°32'30"	84.5'	36	84.00'	82°32'30"	84.5'	56	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
17	18.00'	82°32'30"	84.5'	37	84.00'	82°32'30"	84.5'	57	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
18	18.00'	82°32'30"	84.5'	38	84.00'	82°32'30"	84.5'	58	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
19	18.00'	82°32'30"	84.5'	39	84.00'	82°32'30"	84.5'	59	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'
20	18.00'	82°32'30"	84.5'	40	84.00'	82°32'30"	84.5'	60	184.00'	82°32'30"	84.5'	84.00'	82°32'30"	84.5'

RADIAL BEARING DATA

Block, Easement No.	Bearing
101	82°32'30"
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103	82°32'30"
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106	82°32'30"
107	82°32'30"
108	82°32'30"

LEGEND

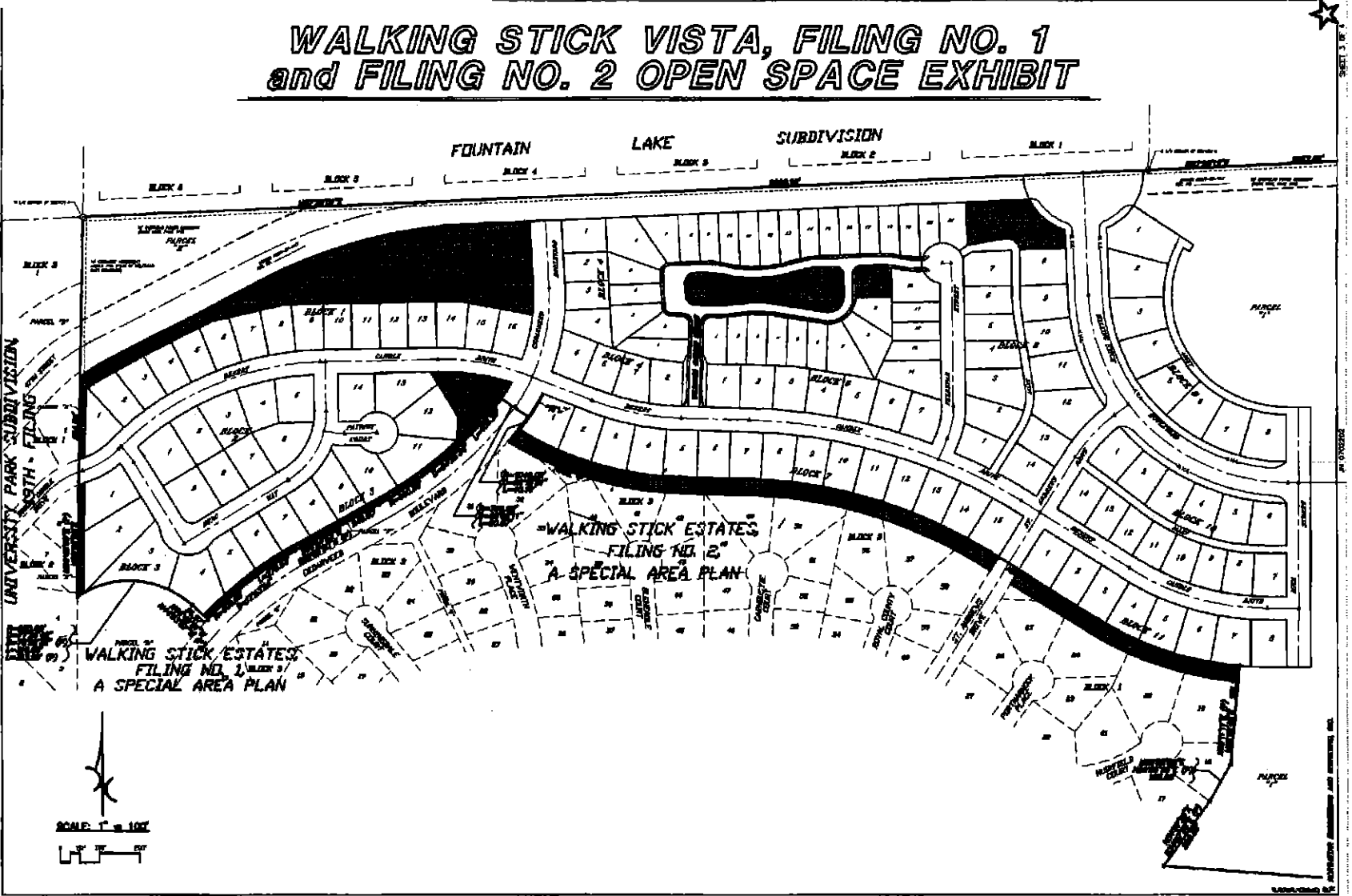
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EXHIBIT 1

SHEET 3 OF 4
 11/17/2010
 11/17/2010

WALKING STICK VISTA, FILING NO. 1 and FILING NO. 2 OPEN SPACE EXHIBIT

tabbier
EXHIBIT
2



WALKING STICK VISTA, FILING NO. 1

A RESUBDIVISION OF A PORTION OF WALKING STICK ESTATES, FILING NO. 2, A SPECIAL AREA PLAN AND A PORTION OF THE S 1/2 OF SECTION 8, TOWNSHIP 20 SOUTH, RANGE 64 WEST OF THE 6TH P.M. COUNTY OF PUEBLO, STATE OF COLORADO

P.O.B.

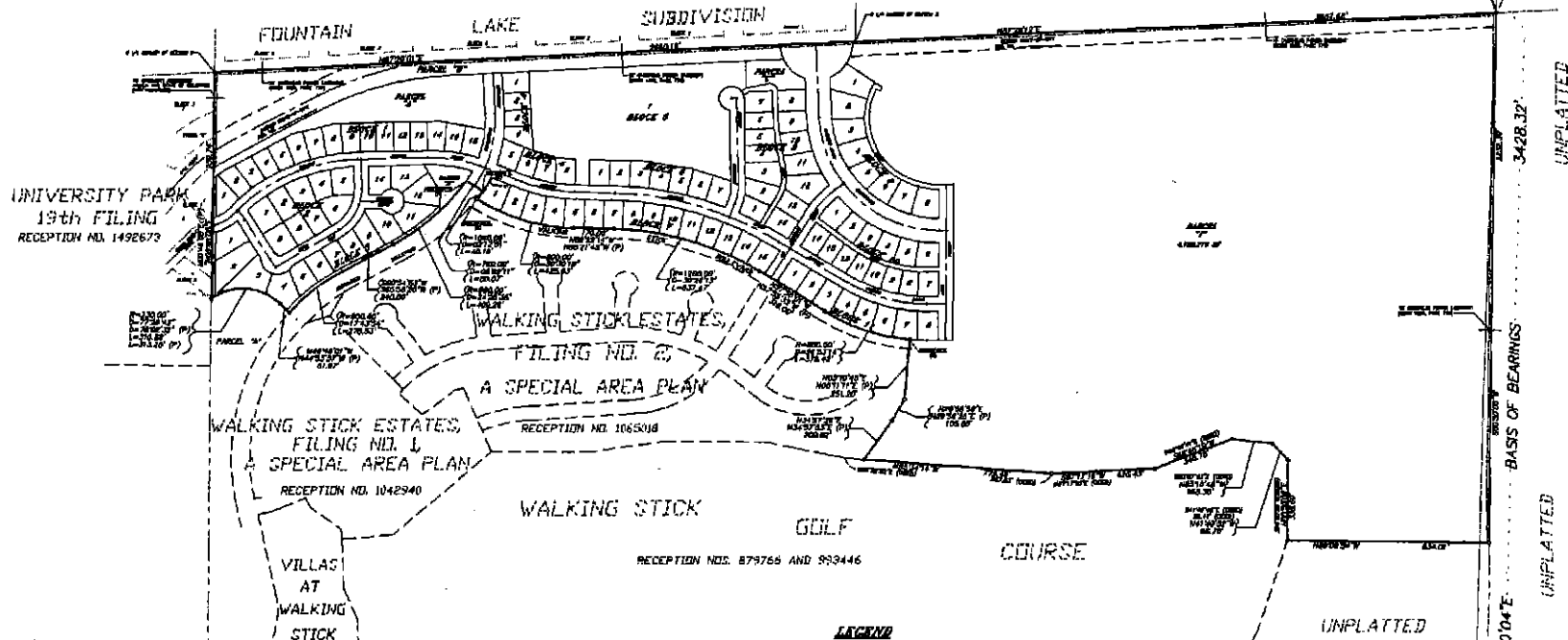


EXHIBIT
3

- LEGEND**
- ① ROAD 1/2" WIDE OF SUBDIVISION LINES
 - ② ROAD 1/2" WIDE OF ALL LOTS
 - ③ ROAD 1/2" WIDE OF SIDEWALK & LAKE EASEMENT
 - ④ ROAD 1/2" WIDE OF SIDEWALK & LAKE EASEMENT OF THE FEDERAL RESERVE
 - ⑤ ROAD 1/2" WIDE OF SIDEWALK & LAKE EASEMENT OF THE FEDERAL RESERVE
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SCALE: 1" = 200'

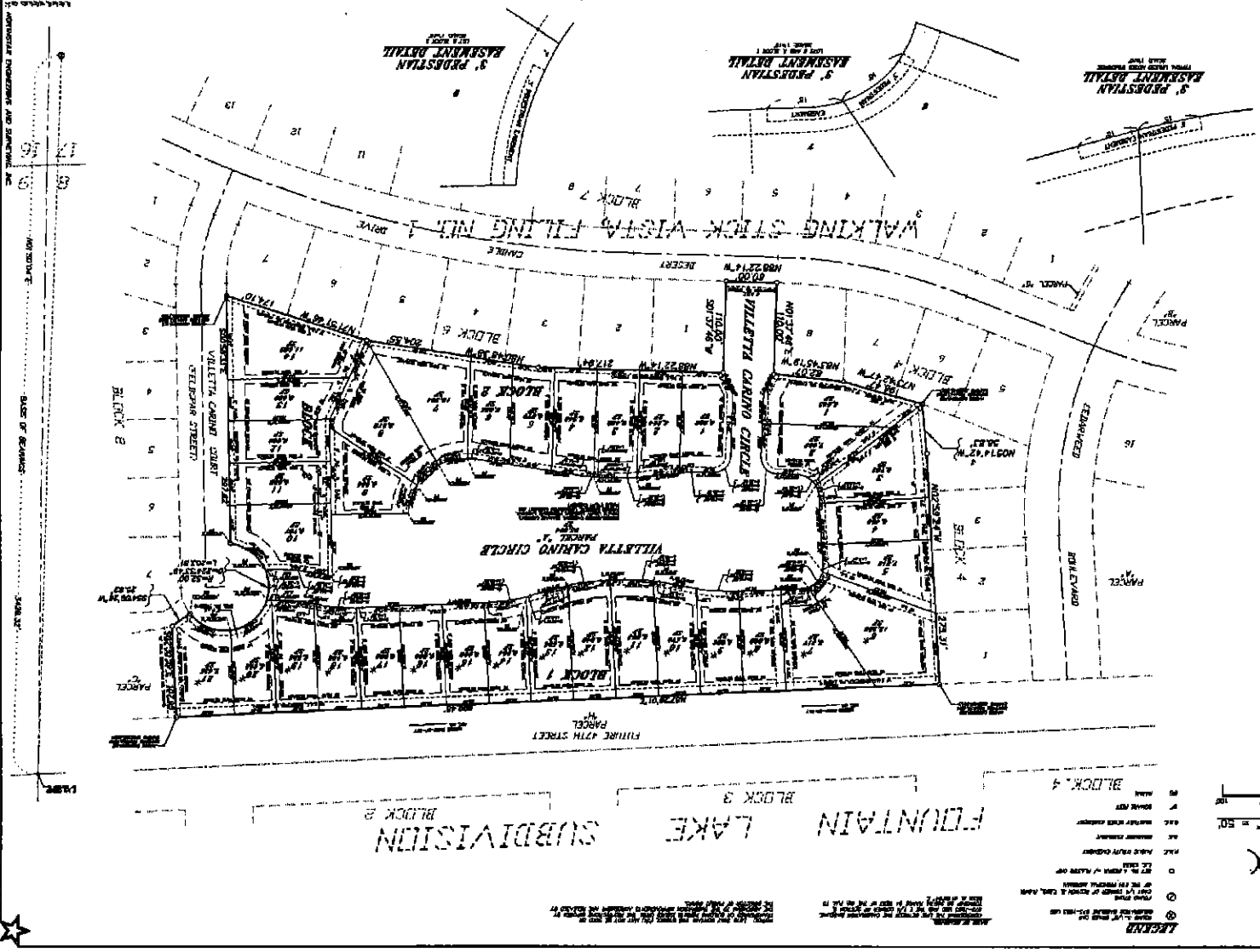
1838846 DEC C 04/19/2010 02:46:53 PM
 Page: 54 of 58 R 281.00 D 0.00 T 281.00
 Gilbert Ortiz Clerk/Recorder, Pueblo County, Co

SHEET 2 OF 4
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 UNPLATTED
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 17 16
 8 9
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 NORTHWEST ENGINEERING AND SURVEYING, INC.
 801 W. 4TH ST., PUEBLO, CO 81002

WALKING STICK VISTA, FILING NO. 2

A RESUBDIVISION OF A PORTION OF WALKING STICK VISTA, PLANS NO. 1, LOCATED IN THE S 1/2 OF SECTION 8,
 TOWNSHIP 30 SOUTH, RANGE 64 WEST OF THE 6TH P.M.
 COUNTY OF PUEBLO, STATE OF COLORADO

EXHIBIT
3



SECTION 8
 TOWNSHIP 30 SOUTH
 RANGE 64 WEST
 COUNTY OF PUEBLO, STATE OF COLORADO

EASEMENTS AND LICENSES FOR
WALKING STICK VISTA

1. Terms, conditions and provisions contained in agreement recorded April 29, 1994, in book 2729 at page 740.
2. Terms, conditions and provisions contained in agreement recorded August 7, 1990, in book 2510 at page 564.
3. Terms, conditions and provisions contained in agreement recorded December 14, 1992, in book 2630 at page 455.
4. Restrictive covenants, which do not contain a forfeiture or reverter clause, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code; or (b) relates to handicap but does not discriminate against handicapped persons, as contained in instrument recorded April 29, 1994, in book 2729 at page 770.

NOTE: Assignment of Declarant's rights recorded February 9, 2001, at reception no. 1369208.

5. Right of way easement and resolution as contained in instrument recorded November 24, 1959, in book 1405 at page 255.
6. Right of way easement as granted to Western Power & Gas Company in instrument recorded April 13, 1965, in book 1566 at page 769.
7. Notice of Water Main Assessment recorded October 11, 2001, at reception no. 1405965.
8. Notice of Water Main Assessment recorded October 11, 2001, at reception no. 1405966.