Note: Bluffs Filing No. 2 has two distinct covenants.

Covenant 91354 and Amendment Number 1 forming the Bluffs Home Owners Association is applicable to all properties on Winding Circle and eight addresses on Avondale Drive.

The ten homes in Filing 2 located on Valencia Road operate under Covenant 782159

The Bluffs Filing No. 2 – Covenant 91354

Reception 91354

DECLARATION OF PROTECTIVE COVENANTS

R.W. SHEPARD, INC., A COLORADO CORPORATION

TO WHOM IT MAY CONCERN:

PREAMBLE:

On this 15th day of July, 1974, for the purposes of protecting the present and future property values of the following described properties located in El Paso County, Colorado, to wit: Lots 1 through 14 in Block 1, Lots 1 through 7 in Block 2, Lots 1 through 16 in Block 3, and Lots 1 through 14 in Block 4, in REPLAT OF BLOCK 3 AND LOT 6 IN BLOCK 2 IN THE BLUFFS, FILING NUMBER 2.

WHEREAS, the undersigned being the owners in fee simple of all of the real property above described do hereby place the following restrictions and covenants on the use of said property;

1. LAND USE, BUILDING TYPE AND OCCUPANCY.

All of the lands above described shall be used for residential purposes only.

No building shall be erected, altered, placed or permitted to remain except detached single-family dwellings not to exceed 35 feet or two stories in height. No building shall be permitted on any lot unless such building has been duly constructed thereon and the removal of dwellings or structures from other locations to lots in the property above described shall not be permitted.

2. ARCHITECTRUAL CONTROL.

No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structures have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building set back line unless similarly approved. Approval shall be as provided in Paragraphs 14 and 15.

3. DWELLING COSTS, QUALITY AND SIZE.

No dwelling shall be permitted on any lot at a cost of less than \$25,000.00 based upon cost levels prevailing on the date these covenants are recorded, it being the intention and purpose of the covenants to assure that the dwellings shall be of quality, of workmanship and material substantially the same or better than that which can be produced on the date these covenants are recorded at the minimum cost stated herein for the minimum permitted dwelling size. The ground floor area of the main structure exclusive of one-story open porches and garages, shall not be less than 800 square feet for one-story dwelling not less than 800 square feet for a dwelling of more than one story, including two story structures. In the construction of all buildings, all roofing, shingles, or otherwise shall be dark brown or black in color with the exception of wood shingles which may be used in their natural color. All exterior roofing material shall be approved by the Architectural Control Committee before installation. Said approval shall be as provided in paragraphs 14 and 15.

4. BUILDING LOCATIONS.

No building shall be located on any lot nearer to the front lot line or nearer to the side street line than any minimum building set back lines which may be shown on the recorded plat. In any event, no building shall be located on any lot nearer than twenty-five feet to the front lot line, nor nearer than fifteen feet to any side street line. No building shall be located nearer than five feet to any interior lot line, except that no side yard shall be required for a garage or other permitted accessory building located thirty-five or more feet from the minimum building set back line from the front lot line. For the purpose of this covenant, eaves, steps, and open porches shall not be considered as part of a building, provided, however that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

5. LOT AREA AND WIDTH.

No building shall be erected or placed on any lot having a width of less than sixty feet at the minimum building set back line nor shall any dwelling be erected or placed on any lot having an area of less than 6,000 square feet.

6. EASEMENTS.

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear seven (7) feet of each lot. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements. The easements area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which public authority or utility company is responsible.

7. NUISANCES.

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

8. TEMPORARY STRUCTURES.

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall be used on any lot at any time as a residence either temporarily or permanently.

9. SIGNS.

No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, or one sign of not more than five square feet advertising the property during the construction and sales period.

10. DRILLING, OIL AND MINING OPERATIONS.

No oil or water well drilling, oil or water development operation, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot.

11. LIVESTOCK AND POULTRY.

No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, or other household pets may be kept provided they are not kept, bred, or maintained for any commercial purpose.

12. GARBAGE AND REFUSE DISPOSAL.

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary conditions.

13. SIGHT DISTANCE AT INTERSECTIONS.

No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or as in the case of a rounded property corner from the intersection, of the street property line extended. The same sight line limitations shall apply on any lot within ten feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain with such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

14. ARCHITECTURAL CONTROL COMMITTEE.

The Architectural Control Committee is composed of Omer F. Shepard, Bruce E. Shepard and Donell Jeffries, whose address is 3578 North Carefree Circle, Colorado Springs Colorado. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee, nor it designated representative shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the committee or to withdraw from the committee or restore to it any of its powers or duties.

15. PROCEDURE.

The Committee's approval or disapproval is required in these covenants shall be in writing. In the event the committee, or its designated representative, fails to approve or disapprove within thirty days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

16. GENERAL PROVISIONS.

Terms. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

17. ENFORCEMENT.

Enforcement shall be by proceedings a law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

18. SEVERABILITY

Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which will remain in full force and effect.

IN WITNESS HEREOF, the said R.W. Shepard Inc. herto subscribed by its President and seal, to be hereto affirmed by its Secretary of this 15th day of July 1974