

DECLARATION
of
Conditions, Covenants, Restrictions and Easements
for

HIGHLANDS OF TURKEY CANON RANCH FILING NO. 2

Highlands of Turkey Canon Ranch, Inc., a Colorado corporation ("Declarant") and the other current owners (the "Current Owners") of the real property located in El Paso County, Colorado described in Exhibit "1" attached hereto and incorporated herein by this reference desire to place protective covenants, conditions, restrictions, reservations, liens and charges upon the Property to protect the Property's quality living environment and also to protect its desirability, attractiveness and value. Consequently, the Property is hereby subjected to the following easements, covenants, restrictions and conditions (collectively referred to as "Covenants" or the "Declaration"), all of which shall run with the Property and shall be binding upon all parties having or acquiring any rights, title or interest in it or any part thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I

RESTRICTIONS AND PROVISIONS

Section 101. Property Uses. All Tracts within the Property shall be utilized by any Owner for residential purposes and in accordance with applicable county or other governmental regulations, rules, codes, ordinances or laws (collectively, "Applicable Laws") and permitted under these Covenants. No business, commercial use or other activity conducted for gain shall be carried on by any Owner within the Property, except for home occupation businesses allowed pursuant to Applicable Laws. The prohibition against commercial activity shall preclude, without limitation, any Owner from operating a commercial feedlot or swine operation within the Property and from conducting or operating any commercial wood harvesting or mining operation, including the removal of soil, gravel or rock for commercial purposes.

Section 102. Dwelling Structures. No Structure to be utilized for permanent dwelling purposes ("Dwelling Structure") shall be erected or placed upon a Tract except in conformance with this Section 102 and other applicable provisions of these Covenants.

A. Type. No Structure of a temporary character, no recreational vehicle, camper unit, trailer, tent or other non-Dwelling Structure shall be utilized upon any Tract as a Dwelling Structure. Recreational vehicles, camper units and tents may be utilized by an Owner for non-permanent dwelling purposes for a period of time not to exceed sixty (60) consecutive days. Mobile homes, modular homes, metal sheds, metal barns and metal garages, whether or not

placed upon a permanent foundation, shall not be allowed, for any reason, to be placed upon any Tract within the Property.

B. Amount. No Owner shall place, erect or construct more than one Dwelling Structure upon a Tract. There may also be erected not more than one (1) guest cottage on a Tract, which cottage shall be compatible with the design and architecture of the Dwelling Structure on the Tract. The guest cottage may not be used for permanent dwelling purposes.

C. Minimum Floor Area; Garages. No Dwelling Structure shall be placed, erected or constructed upon a Tract which, exclusive of basements, porches, patios, covered but unenclosed areas and garages, has a gross livable floor area of less than 2,100 square feet for a single level Dwelling Structure or 2,600 square feet for a multi-level Dwelling Structure of which there shall be a minimum of 1,400 square feet on the first level. Each Dwelling Structure shall include a garage of minimum sized to permit the parking of two cars, which garage may be either attached or detached from the Dwelling Structure. If the garage is detached, the location of the garage shall be subject to the approval of the Declarant in the exercise of its rights under these Covenants.

D. Water, Sewer, Applicable Laws. Any Dwelling Structure placed, erected or constructed upon a Tract shall comply with all Applicable Laws pertaining to Dwelling Structures, including without limitation, all building codes, zoning codes and any applicable subdivision regulations. If any such Applicable Laws are more restrictive than these Covenants, the Applicable Laws shall control and govern and in like manner these Covenants shall control if more restrictive than the Applicable Laws. Each Owner shall, for any Dwelling Structure, install and use a domestic well and septic systems, or other acceptable water supply and sewage disposal system which systems shall be installed at the sole cost and expense of Owner and must comply with all public regulatory and governmental permits and approvals.

E. Reservation of Water Rights and Mineral Rights by Declarant. With the exception of the right to drill, operate, use and appropriate water from a single domestic water well, which right is granted and conveyed to each Owner of a Tract, Current Owners convey to and Declarant hereby reserves to Declarant, its successors and assigns, all water and water rights, together with the right to appropriate such water, on, underlying or appurtenant to the Property and each Tract. Current Owners convey to and Declarant hereby reserves to Declarant, its successors and assigns all mineral rights on or appurtenant to the Property and each Tract.

Section 103. Other Structures. No Structure shall be constructed upon the Property for commercial purposes. No Structure, including barns, corrals, work areas, vehicle storage facilities or any other non-Dwelling Structure, shall be erected, placed or constructed upon a Tract except in accordance with all Applicable Laws and in accordance with any other applicable provisions of these Covenants. Generally, it is the intent of Declarant and Current Owners to allow no more than one guest cottage, one garage, one barn and one corral on any Tract as Structures in addition to the Dwelling Structure.

Section 104. Setbacks: Height. No Structure, including Dwelling and non-Dwelling Structures, shall be erected, placed or constructed within one hundred (100) feet of any lot lines of a Tract. Additionally, no Structure shall be erected, placed or constructed within one hundred (100) feet of any right-of-way line of any road within the Property or within one hundred (100) feet of any easement burdening the Tract; provided, however, that Declarant may allow a driveway entrance monument closer to the road than one hundred (100) feet. No Structure may exceed thirty feet (30') in height measured from the average elevation of the natural ground contour around the foundation of the Structure.

Section 105. Storage. No building materials shall be stored on any Tract except temporarily during continuous construction or building or its alteration or improvement, unless enclosed within an appropriate Structure so as not to be visible from any neighboring Tracts or from any road within the Property.

Section 106. Substantial Completion. A Dwelling Structure shall not be occupied in the course of original construction until substantially completed. All construction work of any Structure shall be prosecuted diligently and continuously from the time of commencement until fully completed and all Structures shall be completed within 270 calendar days of commencement subject only to delays caused by inclement weather, Acts of God, strike, fire or other circumstances beyond the control of the Owner.

Section 107. Construction Debris. If construction is commenced upon a Tract, a trash container area will be provided, properly used and maintained. During the progress of construction, the Owner shall be responsible for ensuring that the Tract is kept free of debris and trash, all of which shall be deposited in the trash container area. No construction materials, debris or trash shall be allowed on the property of others and any materials, trash or debris blown off the Tract shall be promptly cleaned up.

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

Section 109. Resubdivision. No Tract may be further subdivided, for any reason, by an Owner except Declarant.

Section 110. Owner Maintenance. In order to keep the Property an attractive, quality environment, each Owner shall maintain the exterior of any Structures on his Tract in good condition and shall cause them to be repaired as the effects of damage or deterioration become apparent. Rubbish, garbage, or other waste shall be kept and disposed of in a sanitary manner and all containers shall be kept in a clean and sanitary condition.

Section 111. Rebuilding or Restoration. Any Structure which may be destroyed in whole or in part by fire, windstorm or from any other cause or act of God must be rebuilt or all debris

must be removed and the Tract restored to a sightly condition, such rebuilding or restoration to be completed with reasonable promptness and in any event within one (1) year from the time the damage occurred.

Section 112. Maintenance Equipment All maintenance equipment, including yard and garden equipment, shall be stored in an enclosed Structure or otherwise adequately screened so as not to be visible from neighboring property or any road within the Property.

Section 113. Nuisances: Firearms. No noxious or offensive activity shall be carried on upon any Tract. No Owner shall cause or allow any other offensive or hazardous activities to be carried on upon his Tract, nor shall any Owner cause or allow any nuisance to exist or be carried on upon his Tract. No hunting, trapping or other activities may be conducted or carried on upon any Tract or within the Property. Guns, pistols, firearms and other weapons shall not be fired or discharged on any Tract or within the Property. No excessive noise, light or odors shall be permitted to emanate from any Tract. No motor vehicles, including motorcycles, shall be allowed except on subdivision roads or the primary driveway located on a Tract.

Section 114. Inoperative Vehicles. No stripped down, partially wrecked, inoperative or non-licensed motor vehicle, or any part thereof, shall be kept or stored upon any Tract, unless such vehicle is kept or stored in a fully enclosed Structure.

Section 115. Vehicle Repairs and Parking. No maintenance, servicing, repair, dismantling or repainting of any type of vehicle, boat, machine or device may be carried on except within a completely enclosed Structure. Vehicles shall not be parked on any streets or roads located in the Property.

Section 116. Hazardous Materials. No materials shall be transported to, from or within the Property in such a way as to create a nuisance or hazard. Storage, use or disposal of hazardous or radioactive material within any Tract or the Property is prohibited. Any continued or intensive use of pesticides or herbicides is deemed to be a use of hazardous materials.

Section 117. Animals. Consistent with and in compliance with Applicable Laws, animals shall be allowed upon a Tract for the personal use and pleasure of an Owner of the Tract. No animals shall be kept, bred or raised by any Owner or occupant of a Tract for commercial purposes. No more than four (4) horses and two (2) exotic animals shall be kept on a Tract; such animals shall be kept within a fenced area on the Tract, which fence must comply with the requirements of Section 118. No cows or cattle may be kept on any Tract. An Owner may keep other domesticated household pets on a Tract, the number of which may not exceed five (5), and no more than three (3) dogs shall be allowed on any Tract. All such domesticated pets must be kept under control and shall not be allowed to freely roam and shall not in any event be allowed off the Tract of the Owner unless accompanied by the Owner.

Section 118. Fences. Owners shall be entitled to fence their Tract consistent with the provisions of these Covenants and any Applicable Laws. No fences are to be constructed or

erected which (a) encroach upon any easements provided for in these Covenants, (b) encroach upon any right-of-way adjacent to any roads within the Property, or (c) are located within thirty (30) feet of any roads contained within the Property. Barbed wire fences are not permitted on any Tract or within the Property. No more than five (5) acres of any Tract may be fenced.

Section 119. Owner Use of Common Area. Every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Tract, subject to the provisions of these Covenants.

Section 120. Trees and Other Vegetation. Trees and other vegetation on a Tract shall only be disturbed, destroyed or removed as necessary to permit the construction of permitted Structures and driveways on the Tract, all of which shall minimize damage to such vegetation. Dead and diseased trees and vegetation shall promptly be removed from a Tract by the Owner of the Tract.

Section 121. Underground Utilities. All utilities, including electrical and telephone, except for lighting standards and customary service devices for access, control or use of utilities, shall be installed underground.

Section 122. Signs. The only signs permitted on any Tract, shall be:

1. One sign of customary size for offering of a Tract for sale or for rent;
2. One sign of customary size for identification of the occupant and address of any dwelling;
3. Signs for sale, administration and directional purposes during development by Declarant and those authorized by Declarant;
4. Such signs as may be necessary to advise of rules and regulations or to caution or warn of danger; and
5. Such signs as may be required by law.

There shall not be used or displayed on any Tract any signs except those mentioned above, nor shall any banners, streamers, flags, lights or other devices calculated to attract attention in aid of sale or rental be permitted. All permitted signs must be professionally painted, lettered and constructed.

ARTICLE II

RESERVED DEVELOPMENT RIGHTS OF DECLARANT AND OTHERS

Section 201. Development Rights. The rights described in this Section 201 are only to the extent not prohibited by CCIOA (defined below). The Property is part of a larger parcel of property (the "Ranch") that has been developed or is owned by the Current Owners, the Declarant, or Turkey Canon Ranch Limited Liability Company, a Colorado limited liability company ("Turkey Canon Ranch LLC"). The Ranch consists of approximately 5,000 acres. Declarant; Turkey Canon Ranch LLC; Pinons of Turkey Canon Ranch, Inc., a Colorado corporation ("Pinons"); and other persons or entities owning property in the Ranch (collectively referred to as "Declarant and the Related Entities," which definition shall also include the disjunctive reference to Declarant or the Related Entities) hereby reserve the right to develop the Ranch, to include subdivision of other portions of the Ranch into lots that are smaller than thirty five (35) acres. Turkey Canon Ranch LLC has previously developed the Turkey Canon Ranch, and the Highlands at Turkey Canon Ranch, and both are adjacent subdivisions to the Property in which the minimum lot size is thirty five (35) acres ("Turkey Canon Ranch"). No Owner shall have the right to interfere with or to protest the development of the Ranch or the Property by Declarant and the Related Entities owning property in the Ranch. Declarant shall also have the right to annex other properties within the Ranch by causing such other properties to become subject to these Covenants and the owners of properties therein to become members of the Association. No provision of this Declaration shall be construed to prevent or limit the rights of Declarant and the Related Entities to complete the development of property within the boundaries of the Ranch or nearby areas and to subdivide, resubdivide or rezone any portion of such property; to grant licenses, easements, reservations and rights-of-way, including granting to others the non-exclusive right to use subdivision road; to construct or alter improvements on any property owned by Declarant and the Related Entities within the Ranch; to maintain model homes, offices for construction, sales, management or leasing purposes or similar facilities on any property owned by Declarant and the Related Entities and to post signs incidental to the development, construction, promotion, marketing, sales or leasing of property within the boundaries of the Ranch. Nothing contained in this Declaration shall limit the right of Declarant and the Related Entities or require Declarant and the Related Entities: to obtain approvals to excavate, cut, fill or grade any property owned by Declarant and the Related Entities; to make changes or modifications to this Declaration by means of an amendment to this Declaration or addition hereto; to change any landscaping, grading, drainage, vegetation, or view, or to construct, alter, demolish or replace any improvements on any Property owned by Declarant and the Related Entities; or to use any structure on any property owned by Declarant and the Related Entities as a construction office or trailer, model home or real estate sales or leasing office in connection with the sale of any property within the boundaries of the Ranch, nor shall anything herein be deemed to require Declarant and the Related Entities to see or obtain the approval of the Association for any such activity or improvement to property by Declarant and the Related Entities on any property owned by Declarant and the Related Entities. Any violation of this covenant shall render such Owner who protests in violation of this section liable in damages to Declarant and the Related Entities. The provisions of this Section 201 are for the benefit of

Declarant and the Related Entities and shall also inure to the benefit of their successors and assigns. Declarant shall also have all rights as "Declarant" provided by CCIOA.

Section 202. Quarry Operation. Approximately 160 acres of property within the Ranch are now used or described for use as a quarry. Each Owner hereby consents to the construction and expansion of the quarry operations; and no Owner may interfere with the rights of Declarant and the Related Entities, and those operating the quarry, to continue the operation of the quarry and to expand the quarry operations; provided, however, that this Section 202 shall not be deemed a consent to any expansion of the quarry to exceed 160 acres. Such quarry operations include the use of heavy equipment and trucks, which trucks and equipment travel over roads providing access to and from the Property, the quarry and Highway 115, all of which are hereby consented to by each Owner. No Owner shall have the right or standing to protest or object, to any application by the quarry operator for such permits as are necessary to allow the quarry operation; provided, however, that this prohibition shall not apply to any expansion of the quarry to exceed 160 acres. Any violation of this covenant shall render such Owner who protests in violation of this section liable in damages to Declarant and the Related Entities. The operator of the quarry is an intended beneficiary of this Section 202. The provisions of this Section 202 are for the benefit of Declarant and the Related Entities and shall also inure to the benefit of their successors and assigns.

Section 203. Architectural Control by the Declarant. No Structure shall be commenced, erected, placed, moved onto a Tract, permitted to remain on any Tract or altered in any way so as to change materially its exterior appearance, except in accordance with plans, specifications and other information submitted to Declarant and approved by Declarant not more than two (2) years before start of the construction, alteration in installation. Matters which require the approval of Declarant include but are not limited to: the exterior appearance, material, color, height, location, of each structure, drive, walk and fence and mailbox, grading of site, site lighting, and location, size and type of any landscape material including grass, around cover, ornamental rock, shrubs and trees.

a. In granting or withholding approval Declarant shall heed the standards specified in these Covenants and shall also consider among other things: the adequacy of the materials for their intended use, the harmonization of the external appearance with the surrounding uses, the degree, if any, to which the proposed structure will cause intrusions of sound, light or other effect on neighboring sites beyond those reasonably to be expected from considerate neighbors.

b. All plans, samples and other materials to be submitted to Declarant shall be submitted in duplicate, together with a fee of \$500 to compensate Declarant for the cost of the review of the items submitted. The submittal fee may be increased in a reasonable amount from time to time by the Declarant to reflect increases in costs of the plan review process. The minimum scale of such plans shall be 1/4th inch equals one foot. The plot plan in said minimum scale shall show the location of all buildings, drives, walks, fences and any other structures. Proposed new contours throughout the Tract and abutting street evaluations on all sides shall also

be shown. Structure plans shall show all exterior elevations, and shall indicate and locate on each elevation the materials to be used and designate each exterior color to be used by means of actual color samples. If requested, a soils report for the building site shall be supplied to Declarant. Landscaping plans shall show the location of all landscaping elements, including grass, ground cover, shrubs, trees and other landscape materials for all the area of the Tract not covered by Structures. The size and type of all new plant materials and any vegetation to be destroyed or removed shall be indicated.

c. A written statement of the approval or disapproval or other action by Declarant, signed by an officer of Declarant, shall establish the action of Declarant and shall protect any person relying on the statement. If Declarant does not execute such a statement within thirty (30) days after delivery of all the required materials to Declarant's principal office, the material so delivered shall stand approved for the purpose of these Covenants. Declarant shall be entitled to retain one copy of all approved plans as part of Declarant's files and records.

d. Declarant shall have the right to adopt and amend guidelines concerning architectural and building standards consistent with this Declaration. Declarant shall also have the right and authority to grant variances from the literal application of the architectural and building standards where usual circumstances, such as the topography of a Tract, warrant such variance.

e. In discharging its rights and obligations hereunder, the Declarant makes no representations or warranties to the Owner or any other person or entity concerning the construction of the structures on a Tract, and the Declarant shall have no liability or responsibility for defective construction or other similar matters.

Section 204. Subdivision Roads. The use of the roads within the Property by the Owners of Tracts is on a non-exclusive basis. Current Owners hereby convey to Declarant and Declarant hereby reserves the right to grant to others the right to use such roads, including the owners of other property within the Ranch and the owners and operators of the quarry. Declarant hereby conveys all roads located in the Plat of the Property to the Association to be held and administered by the Association in accordance with the terms of this Declaration (though Declarant will maintain such roads as provided for in Section 614 of these Covenants).

Section 205. Easements. There is hereby conveyed to Declarant and reserved to Declarant, its successors and assigns, perpetual, alienable, divisible and releasable easements and the right from time to time to grant easements to others, over, under, in and across each of the thirty (30) foot strips along and adjoining each and every boundary line of each Tract contained within the Property for use of all or part of such areas for utilities, utility lines, transmission lines and purposes of access, ingress and egress. The Declarant, its successors and assigns shall have the right to make use of such easements for the purpose of installing, maintaining, repairing or replacing any such utilities, utility lines and transmission lines and for the purpose of access, ingress and egress, and for installing, maintaining, repairing or replacing any roads,

rights-of-way and access areas. Additional easements and rights-of-way are granted to Declarant, its successors and assigns, as shown or described on the recorded plat of the Property.

Section 206. Temporary Structures. Model Homes. Temporary structures for use in connection with construction within the Property or in connection with sales of new homes or Tracts may be erected or maintained in the Property by Declarant and those authorized by Declarant. Model homes and sales offices may be used and exhibited by Declarant and those authorized by Declarant on any Tract within the Property. The appearance and placement of temporary buildings permitted for construction or sales purposes must be approved by Declarant. Temporary buildings shall be promptly removed when no longer used for the designed purposes.

Section 207. Declarant Can Remedy Violations. Declarant may give notice to the Owner of a Tract where a violation of these Covenants occurs or which is occupied by the persons causing or responsible for the violation, which notice shall state the nature of the violation, and the intent of the Declarant to invoke this Section unless within a period stated in the notice (not less than five (5) calendar days), the violation is cured and terminated or appropriate measures to cure and terminate are begun and are thereafter continuously prosecuted with diligence. If the violation is not cured and terminated as required by the notice, the Declarant may cause the violation to be cured and terminated at the expense of the Owner or Owners so notified, and entry on Owner's Tract as necessary for such purposes shall not be deemed a trespass. Each Owner of a Tract hereby grants a license to the Declarant for the purpose of entering on a Tract to remedy violations or breaches of these Covenants. The cost so incurred by the Declarant shall be paid by the Tract Owner and the person responsible for the breach, and if not paid within thirty (30) days after such Owner has been sent notice of the amount due, such amount, plus interest at the rate of eighteen percent (18%) per annum and costs of collection, shall be a lien on the ownership interest in the Tract (including improvements thereon) and shall in all respects be the personal obligation of the Owner. Declarant may bring an action at law for recovery of the costs so incurred by it, plus interest and costs of collection against the Owner and may bring an action to foreclose the lien against the Tract and improvements subject to the lien, and there shall be added to the amount of such obligation the costs of collection, and the judgment in any such action shall include interest as above provided and the costs of collection. The foregoing specified rights and remedies shall not limit the right of any Tract owner to enforce these Covenants pursuant to Section 605 or as otherwise may be provided by law or equity; provided, however, that only the Declarant shall have the right to proceed under this Section 207. In the event that the Declarant elects to exercise the right to enter upon a Tract to remedy a violation of these Covenants, Declarant shall not be liable to the Owner of the Tract for any loss or damage occasioned by the entry on the Tract unless damage is caused to the Tract or improvements thereon that is unrelated to the remediation of the breach of the Covenants and is caused by the willful and wanton acts of the Declarant. In no event shall there be any liability for damage to a Structure that is in violation of these Covenants.

Section 208. Expiration. The reserved rights of Declarant, under this Article II shall expire thirteen (13) years after the recordation of these Covenants (the "Expiration Time"). Prior to such Expiration Time, Declarant may terminate, transfer or assign the reserved rights

hereunder to another person or entity, including the Association, in whole or in part. To the extent assigned by Declarant, the assignee shall be a successor to Declarant.

Section 209. Exercise of Declarant Rights. The reserved rights of Declarant under these Covenants may be exercised by Declarant and the Related Entities and their successors and assigns.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 301. Formation. The Association shall be formed and incorporated within eight months of the recordation of these Covenants. The liability of the Owners for the payment of assessments shall only accrue from the later to occur of the (i) incorporation of the Association or (ii) the recordation of these covenants.

Section 302. Membership; Voting. Declarant and every Owner of a Tract which is subject to assessment hereunder shall be members of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Tract. Ownership of such Tract shall be the sole qualification for membership. Each membership shall be entitled to one vote for each Tract owned. When more than one person holds an interest in any Tract, all such persons shall be Members, and the vote for such Tract shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any such Tract. Any corporation, partnership, limited liability company or other legal entity who is an Owner may designate a person to act in its behalf to exercise all rights of a Member or Owner, including without limitation, the right to serve as a member of the Board of Directors of the Association.

Section 303. Reserved Rights of Declarant in Association Matters. Current Owners hereby convey to and Declarant hereby reserves unto Declarant and its successors and assigns certain rights in connection with Association matters generally described as follows:

a. Subject to the provisions of subparagraph (b) and (c) of this Section, the right, which right may be exercised by Declarant or persons appointed by Declarant, to appoint and remove officers and members of the Board of Directors of the Association.

b. The conveyed and reserved rights of Declarant pursuant to Section 303(a) shall terminate no later than the earliest to occur of (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Tracts to Owners other than Declarant, (ii) two years after the last conveyance of a Tract by Declarant in the ordinary course of business, or (iii) two years after any right of Declarant to add new Tracts was last exercised.

c. Not later than sixty (60) days after recordation of these covenants, formation of the Association, or conveyance of twenty-five percent (25%) of the Tracts by Declarant to persons or entities other than Declarant (whichever is later), at least one member,

but not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than Declarant; and not later than sixty (60) days after conveyance of fifty percent (50%) of the Tracts to persons or entities other than Declarant or formation of the Association (whichever is later), not less than one-third (1/3) of the members of the Board of Directors must be elected by Owners other than the Declarant.

d. The Owners by a two-thirds (2/3) vote of all persons present and entitled to vote at a meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause other than a member appointed by the Declarant.

Section 304. Nonliability of Association and Others. The Board of Directors, the officers and committees of the Association and the Declarant, including without limitation, the officers, directors, employees, agents, and representatives of the Declarant, shall not be liable in damages or otherwise to any person whatsoever for any act or omission done as an officer, director, agent or representative on behalf of the Association, except for willful misconduct done in bad faith or gross negligence and shall be indemnified from all such liability as provided in the Association's By-Laws.

Section 305. Management of Association: By-Laws: Rules and Regulations. The affairs of the Association shall be managed by its Board of Directors who shall be elected in accordance with the By-Laws of the Association. The Association shall have the authority to adopt and amend its By-Laws, but such By-Laws may not be in conflict with this Declaration. In the event of a conflict among the documents pertaining to the Association, the following priority shall apply: (i) the Declaration, (ii) the Association's Articles of Incorporation and then (iii) the By-Laws. The Association shall also have the authority to adopt and amend Rules and Regulations pertaining to the use of the Common Areas and the Ranch.

ARTICLE IV

COVENANT FOR ASSESSMENTS

Section 401. Creation of the Obligation for Assessments. Each Owner, for each Tract shall be deemed to covenant and agree to pay to the Association, in the manner, amounts and times prescribed herein, all assessments, charges, fees, fines and other sums which are described in these Covenants and which shall be both a personal obligation of the Owner and a lien against his Tract as provided herein. Each Owner shall be jointly and severally liable to the Association for the payment of all assessments, charges, fees and other sums attributable to him and/or his Tract. The personal obligation for delinquent assessments and sums shall not pass to an Owner's successors in title or interest unless expressly assumed by them. No Owner may waive or otherwise escape personal liability for the payment of the assessments, charges, fees and other sums provided for herein by nonuse of the Common Areas or any facilities contained therein, by abandonment or leasing of his Tract, or by asserting any claims against the Association, the Declarant, or entities involving persons affiliated with Declarant and their successors and assigns or any other person or entity.

Section 402. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the Owners and for the improvement and maintenance of the Common Areas as more specifically provided herein.

Section 403. Annual/Monthly Assessments. The annual/monthly assessment shall specifically include, but shall not be limited to the following common expenses:

- (a) expenses of management;
 - (b) premiums for all insurance which the Association maintains as required or permitted under these Covenants;
 - (c) repair, replacement, improvements and maintenance which is the responsibility of the Association as provided in Article V, Section 501 hereof, including trash removal service for the Property;
 - (d) wages for Association employees;
 - (e) legal and accounting fees;
 - (f) any deficit remaining from a previous assessment year;
 - (g) a working capital fund;
 - (h) the creation of reasonable contingency reserves, surpluses and sinking funds;
- and

(i) any other costs, expenses and fees which may be incurred or may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of these Covenants.

Section 404. Fixing Assessments. For the calendar year 2003, the monthly assessment shall be (i) Sixty Dollars (\$60.00) per Tract in the Property upon which a Dwelling Structure has been constructed and (ii) Thirty Dollars (\$30.00) per Tract in the Property upon which a Dwelling Structure has not been constructed. Each year thereafter the Association's Board of Directors shall fix the annual and monthly assessments in an amount deemed sufficient to meet the needs of the Association. The Association shall also have the authority to adopt and amend a schedule of charges to a Tract Owner who desires to have the driveway of that Owner maintained (to include snow removal) by the Association.

Section 405. Special Assessments. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of an emergency situation or

of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas or as otherwise allowed by these Covenants. Special assessments may also be levied against an Owner and such Owner's Tract to compensate the Association for damages incurred by the Association arising from the acts, conduct or omissions of an Owner or an Owner's guests, invitees, agents, employees or family members.

Section 406. Procedure for Assessment Under Section 405. Any assessment under Section 405 of this Article shall be made pursuant to the procedures for special assessments set forth in the By-Laws of the Association.

Section 407. Rate of Assessment. Annual and special assessments must be fixed at a uniform rate for all Tracts sufficient to meet the expected needs of the Association: provided, however, the Association may charge different amounts to Owners of Tracts who enter into agreements with the Association for maintenance and snow removal of the driveway on the Tract of an Owner, which charge may be based upon the length, steepness and condition of such driveway. Any special assessments arising under the power of the Association to assess a specific Owner or such Owner's Tract pursuant to Section 405 for damages incurred by the Association related to a specific owner need not be uniform. The pro rata share for each Tract of the assessments shall be one divided by the total number of Tracts in the Property.

Section 408. Assessment Procedure.

(a) Annual Assessments. No later than ninety (90) days before the beginning of each annual assessment period, the Board of Directors of the Association shall set the total annual assessment based upon advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during the following assessment year. The annual assessment shall be payable in monthly installments due from each Tract Owner on the first day of each month. The Association shall cause to be prepared, delivered or mailed to each Owner, at least thirty (30) days in advance of each annual assessment period, a payment statement setting forth the annual and/or monthly assessment.

(b) Special Assessments. Special assessments and other sums imposed hereunder shall be due and payable on the date specified by the Board in written notice to each Owner, but such date shall not be less than ten (10) days after such notice is sent.

(c) Notice. Failure of the Board to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of his Tract for such assessment, but if notice is not given, the date when payments shall be due shall be deferred to a date after such notice given.

Section 409. Certificate of Payment. The Association shall upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Tract have been paid. A properly execute certificate of

the Association as to the status of assessments on a Tract is binding upon the Association as of the date of its issuance.

Section 410. Effect of Nonpayment of Assessments-Remedies of the Association.

(a) General. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid when due, the Association may impose a late charge/administrative fee for each delinquent assessment. The amount of the late charge shall be as set forth in the By-Laws of the Association. Any assessment not paid within fifteen (15) days after the due date thereof shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against such Owner's Tract, and/or may suspend the delinquent Owner's right to vote and the right to use the Common Areas. In the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorneys' fee to be fixed by the court, together with the expenses, late charges and costs of the action.

(b) Lien. Any unpaid assessment, charge, fee or other sums assessed against an Owner or his Tract, including, without limitation, interest thereon at the rate of eighteen percent (18%) per annum, an administrative charge per unpaid assessment or other sum, court costs and all other collection costs, and reasonable attorneys' fees, shall be a charge on the interest of the Owner in that Tract and shall be a continuing lien, in favor of the Association, upon the Tract against which each such, assessment, charge, fee or other sum is made. All payments on account shall be first applied to interest, then late charges, then any costs or fees, and then to the assessment payment first due. The Board may enforce such lien by filing with the Clerk and Recorder of El Paso County a statement of lien with respect to the Tract, setting forth the name of the Owner, the legal description of the Tract and the Owners interest therein, the name of the Association and the amount of delinquent assessments then owing. The lien statement shall be duly signed and acknowledged by an officer or authorized agent of the Association, and notice thereof shall be mailed to the Owner of the Tract, at the address of the Tract or at such other address as the Association may have in its records for the Owner of the Tract. Such a claim of lien shall also secure all assessments, charges, fees and sums which come due thereafter until the lien, together with all costs, attorneys' fees, administrative charges and interest, have been fully paid or otherwise satisfied. The Board may proceed to foreclose the lien in the same manner as provided for in the foreclosure of mortgages in the State of Colorado. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from suing the Owner personally liable therefore or from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments, charges, fees or other sums, which are not fully paid when due. The recordation of a statement of lien shall not be required as a prerequisite to foreclosure of the Association lien. The Association lien shall have priority as of the date of the recordation of these Covenants.

(c) Authority. Each Owner, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection

of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Tract Owners. The Association, acting on behalf of the Owners shall have the power to bid at foreclosure sale and to acquire and hold, lease, mortgage and convey the same, if acquired by the Association at the foreclosure sale or by deed in lieu of foreclosure.

Section 411. Working Capital. The Association has the right to require the first Owner of any Tract who purchases that Tract from the Declarant to pay to the Association an amount equal to One Hundred Dollars (\$100.00), which sum shall be held by the Association as and for working capital. Such sums shall not be refundable to such Owner. If the Association decides that such sums are not required for working capital, such sums shall be placed in the general revenues. Furthermore, such sum shall not relieve an Owner from making the regular payment of assessments as the same become due.

Section 412. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any bona fide First Mortgage of record provided, however, that assessment liens assessed or assessable pursuant to Section 404 shall have priority over a First Mortgage in an amount equal to the common expense assessments based on the budget adopted by the Association pursuant to this Declaration which would have become due, in the absence of any acceleration, during the six months immediately preceding the institution of the action to enforce the assessment lien, but in no event shall the priority of the assessment lien exceed one hundred fifty percent (150%) of the average monthly assessment assessed pursuant to Section 404 during the immediately preceding assessment year multiplied by six. Sale or transfer of any Tract shall not affect the lien for said assessment charges, except that transfer of title to any Tract pursuant to foreclosure of any such First Mortgage or any proceeding in lieu thereof, including deed in lieu of foreclosure, shall extinguish the lien of assessment charges which became due prior to any such transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, subject to the limited priority granted to the assessment liens under Section 404 as described in this Section. No such transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure shall relieve any Tract from liability for any assessment charges thereafter becoming due, nor for the lien thereof.

Section 413. Homestead. The lien of the Association assessments shall be superior to any homestead or other exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to a Tract subject to these Covenants shall constitute a waiver of the homestead exemption as against said assessment lien.

ARTICLE V
MAINTENANCE

Section 501. Association Maintenance. Except as otherwise provided for in these Covenants including Section 614, the Association shall be responsible for the repair, replacement, improvements, and maintenance of the Common Areas and all improvements thereto. The Common Areas, as defined in these Covenants, shall not include any private roads or drives contained within the Property which are not the road depicted on the recorded Plat of the Property and any such private roads or drives shall be installed, kept and repaired at the sole cost and expense of the Owners utilizing such roads and drives; provided, however, that the Owner of a Tract may enter into a contract with the Association pursuant to which the Association agrees to maintain (including snow removal) the private roads and driveways upon a Tract in accordance with a fee schedule for such service as is adopted and amended from time to time by the Association. The sums due and owing by any Owner to the Association under such contracts shall be a special assessment against the Owner and the Owner's Tract, which sums may be assessed by the Board pursuant to Section 405. Owners shall remove trash from their Tracts, but the Association may also make arrangements for trash removal on at least a weekly basis for the benefit of all Owners. Special assessments may be levied against an Owner who has excessive amounts of trash to be picked up, depending on whether the Association is charged additional amounts by the trash removal contractor. Construction trash removal arrangements shall be separately made by the Owner of the Tract with the trash removal contractor, and the Association shall not be responsible for construction trash removal.

ARTICLE VI

GENERAL PROVISIONS FOR EFFECT OF THE COVENANTS

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

(a) Association: The Highlands of Turkey Canon Ranch Homeowner's Association, a Colorado nonprofit corporation in accordance with its Articles of Incorporation and By-Laws.

(b) Common Area or Common Areas: The Common Areas to be maintained by the Association shall consist of (i) the roads through the Property depicted on the recorded Plat of the Property, the use of which shall be by the Owners on a non-exclusive basis; (ii) any easements for access, ingress and egress to the Property over the property of adjacent landowners, to the extent any such easements exist; (iii) any easements, facilities or real property owned by the Association or the Declarant for the common use and benefit of the Owners; and (iv) any real property or easements required to be maintained by the Declarant or the Association for the benefit, use and enjoyment of the Owners.

- (c) Covenants: This Declaration and the provisions contained in it.
- (d) Declarant: Highlands of Turkey Canon Ranch, Inc., a Colorado corporation or any person or entity to whom Declarant assigns its rights as Declarant hereunder by written instrument recorded in the real property records of El Paso County, Colorado.
- (e) Dwelling Structure: Is a Structure within the meaning of Section 102 hereof.
- (f) First Mortgage: "First Mortgage" shall mean and refer to any unpaid and outstanding mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of the County of El Paso, Colorado, pertaining to a Tract (including a blanket lien encumbering more than one Tract) and having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments), and which was recorded before the date or, which the assessment lien to be enforced became delinquent.
- (g) Owner: Person or entity having fee simple legal title to a Tract, including but not limited to the Current Owners. If more than one person has such title, all such persons are referred to collectively as "Owner" and shall exercise their rights as an Owner through such one of them as they may designate from time to time.
- (h) Plat: The Plat of the Property recorded in the real property records of El Paso County, Colorado.
- (i) Property: The real property located in El Paso County, Colorado described in Exhibit "1" attached hereto and incorporated herein by this reference.
- (j) Structure: Any improvement or building placed, erected or constructed upon a Tract, including without limitation, any Dwelling Structure, fence, building, garage, barn, corral, shed, greenhouse or other similar or dissimilar improvement to a Tract.
- (k) Tract: Each area sold as a Tract within the Property and depicted as a lot on the recorded Plat of the Property.

Section 602. Declarant Resolves Questions of Construction. These Covenants are intended to be interpreted in a manner that will provide for the preservation of the values and amenities of the Property. In the event that it is necessary to interpret the meaning of any word, paragraph, term or provision of these Covenants, the determination of the Declarant shall be final and conclusive.

Section 603. Covenants Run With the Land. These Covenants shall run with the land and shall inure to the benefit of and be binding on each Tract and upon each person or entity hereafter acquiring ownership or any right, title and interest in any Tract.

Section 604. Waivers. Except as these Covenants may be amended or terminated in the manner hereinafter set forth, they may not be waived, modified or terminated and a failure to enforce these Covenants shall not constitute a waiver or impair the effectiveness or enforceability of these Covenants. Every person bound by these Covenants is deemed to recognize and agree that it is not the intent of these Covenants to require constant, harsh or literal enforcement of them as a requisite of their continuing validity and that leniency or neglect in their enforcement shall not in any way invalidate these Covenants or any part of them, nor operate as an impediment to their subsequent enforcement and each such person agrees not to plead as a defense in any civil action to enforce these Covenants that these Covenants have been waived or impaired or otherwise invalidated by a previous failure or neglect to enforce them.

Section 605. Enforcement. These Covenants are for the benefit of the Owners, jointly and severally, the Declarant, and the Association and may be enforced by an action for damages, suit for injunction, mandatory and prohibitive, and other relief, and by any other appropriate legal remedy, instituted by one or more Owners, the Declarant, the Association, or any combination of these. All costs, including reasonable attorneys' fees, incurred by Declarant, an Owner or the Association in connection with any successful enforcement proceeding initiated by them shall be paid by the party determined to have violated the Covenants. Any party exercising its right to enforce these Covenants shall not be required to post any bond as a condition to the granting of any restraining order, temporary or permanent injunction or other order. The rights and remedies for enforcement of these Covenants shall be cumulative, and the exercise of any one or more of such rights and remedies shall not preclude the exercise of any of the others. Whenever a right is given to the Declarant to do certain things in these Covenants, it shall be the right, but not the obligation, of the Declarant to do such things.

Section 606. Duration of Restrictions. Unless sooner terminated as provided in Section 607, the restrictions and other provisions set forth in these Covenants shall remain in force until October 22, 2013 (the "Initial Period") and shall be automatically renewed for successive periods of ten years unless before the expiration of the Initial Period, or before the end of any ten-year extension, there is filed for record with the Clerk and Recorder of El Paso County an instrument stating that extension is not desired, signed and acknowledged by the Owners of a majority of (i) Tracts in the Property, and (ii) tracts in properties later included as a part of the Association under the reserved rights of Declarant under these Covenants, in which event these Covenants shall terminate as of the end of the Initial Period or ten (10) year extension, as applicable; provided that as a part of such termination, the appropriate easements for the use of the private roads shall be duly created or such roads shall be dedicated to and accepted by the County of El Paso or by such other appropriate governmental or quasi-governmental agency to insure that legal access to each tract of property shall be preserved.

Section 607. Amendment and Termination. All sections of these Covenants may be terminated at any time, and from time to time any one or more sections of these Covenants may be amended or one or more new sections may be added to these Covenants by an instrument signed and acknowledged by the Owners of at least sixty seven percent (67%) of the Tracts and filed for record with the County Clerk and Recorder of El Paso County and provided that any of the other requirements set forth in this Section 607 are satisfied. Declarant shall have the authority to execute and record documents necessary to annex property to these Covenants without obtaining the approval of the Owners. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or termination of any provision of this Declaration shall not be effective unless Declarant has given its written consent to such amendment or termination, which consent must be evidenced by the execution by Declarant of any certificate of amendment or termination. The foregoing requirement for consent of Declarant to any amendment or termination shall terminate thirteen (13) years after the recordation of these Covenants in the El Paso County Records. No amendment or termination of these Covenants, or any section of these Covenants, shall affect, terminate or modify rights granted to third parties under Sections 204 or 205. As a part of such termination, the appropriate easements for the use of the private roads shall be duly created or such reads shall be dedicated to and accepted by the County of El Paso or by such other appropriate governmental or quasi-governmental agency to insure that legal access to each tract of property shall be preserved.

Section 608. Liability of Employees. No member, officer or director of the Association and no officer, member or director of Declarant, or entities involving persons affiliated with Declarant and their successors and assigns, or any of their employees, contractors or agents will be liable to any party whatsoever for any act or omission taken pursuant to these Covenants unless the act or omission amounts to fraud or willful misconduct.

Section 609. Severability. If any of these Covenants shall be held invalid or become unenforceable, the other Covenants shall not be affected or impaired but shall remain in full force and effect.

Section 610. Other Assessments. Notwithstanding anything to the contrary herein, the assessments provided in Article IV do not include any assessments, fees, and other monetary charges associated with the litigation captioned Turkey Canon Ranch Homeowner's Association v. Turkey Canon Ranch Limited Liability Company, et. al., Case No. 01 CV 3540, filed in the District Court, El Paso County, Colorado on November 30, 2001, including but not limited to any "Order Approving Stipulation and For Judgment" to be issued by the District Court, El Paso County, Colorado in 2003 in connection with that litigation.

Section 611. CCIOA. These Covenants shall be governed by the laws of Colorado and the Colorado Common Interest Ownership Act (C.R.S. sections 38-33.3-101 et. seq.) ("CCIOA"). Capitalized terms not defined herein shall have the meanings provided for under CCIOA. The type of project described in these Covenants is a "Planned Community" as that term is used in CCIOA.

Section 612. Maximum Number of Tracts. The Declarant reserves the right to create to a total of 23 Tracts within the Property. Notwithstanding anything to the contrary in this Declaration, the By-Laws, or the Articles of Incorporation, Declarant shall have the right to divide or subdivide any Tracts or parts of the Property owned by Declarant, together with any adjoining Common Elements, and/or to relocate their boundaries, and/or create any new Common Elements and convey such Common Elements to the Association.

Section 613. Notices. Each Owner shall provide a mailing address to the Association. Routine notices of matters affecting the Property or monthly statements as provided for herein shall be sent to the Owners by regular mail to the address given to the Association or by personal delivery. All other notices or demands to the Owners shall be sent by registered or certified mail, postage prepaid, addressed to the address given to the Association. All notices or demands to the Association shall be sent by registered or certified mail, postage prepaid, addressed to the registered agent of the Association at the address filed with the Colorado Secretary of State. All notices or demands to the Declarant shall be sent by registered or certified mail, postage prepaid, addressed to the registered agent of the Declarant at the address filed with the Colorado Secretary of State.

Section 613. Other. The headings and captions of various paragraphs of these Covenants are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions of paragraphs. Whenever the singular or plural number, or the masculine, feminine or neuter gender, is used in this Covenants, it will equally include the other.

Section 614. Maintenance By Declarant. Until December 1, 2005, Declarant will, as necessary, repair, patch holes, and remove snow from only those roads depicted on the recorded Plat of the Property which are the Common Areas (but not other portions of any roads or the Common Areas). After December 1, 2005, Declarant shall have no further obligations with respect for such roads and the Association shall have all maintenance, repair, replacement, and snow removal responsibilities for such roads.

Section 615. Construction By Declarant. As Declarant sells or develops Tracts or parts of the Property owned by Declarant, Declarant will at its discretion construct and pave, chip and seal, or provide similar application to (collectively, "Pave") only those roads depicted on the recorded Plat of the Property which are the Common Areas (but not other portions of any roads or the Common Areas as Declarant determines are necessary for Declarant's development and sale of the Tracts. If the Association requests in writing that Declarant not Pave such roads until lots have been developed and homes constructed which are served by said roads, Declarant shall not Pave such road until construction of the homes is complete, provided, however, that Declarant shall not have to Pave such roads if such construction of the homes is not complete within seven (7) years after the date these Covenants are recorded. Such roads constructed by Declarant under this Section 615 shall be of the specifications and quality of the roads constructed by Declarant in the Highlands at Turkey Canon Ranch, an adjacent subdivision to the Property.

Section 616. Plat. The Declarant may record a plat or map of the Property in which the individual Tracts and the roads for the Property are depicted. There is hereby conveyed to Declarant and reserved to Declarant the right of the Declarant to prepare, execute, acknowledge and record such plat or map. The Declarant will have the right to prepare, execute, acknowledge and record such plat or map without consent or ratification from the persons or entities holding an interest in the Property, a Tract or the Common Elements, and the Owners shall be deemed to have ratified, confirmed, and approved the plat or map recorded by the Declarant.

EXHIBIT "1"

LEGAL DESCRIPTION OF "PROPERTY"

A PARCEL OF LAND LYING IN PORTIONS OF SECTIONS 5 AND 6, TOWNSHIP 17 SOUTH, RANGE 67 WEST AND SECTIONS 31 AND 32, TOWNSHIP 16 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SW CORNER OF SAID SECTION 31; THENCE N 00°18'40" W A DISTANCE OF 2686.88 FEET; THENCE N 88°19'45" E A DISTANCE OF 2548.11 FEET; THENCE N 00°32'20" W A DISTANCE OF 1312.13 FEET; THENCE N 88°54'03" E A DISTANCE OF 1267.63 FEET; THENCE N 88°54'00" E A DISTANCE OF 1267.63 FEET; THENCE N 89°39'54" E A DISTANCE OF 1520.48 FEET; THENCE N 54°25'14" E A DISTANCE OF 720.61 FEET; THENCE S 77°59'08" E A DISTANCE OF 465.69 FEET; THENCE N 87°45'17" E A DISTANCE OF 145.74 FEET; THENCE S 00°05'34" E A DISTANCE OF 321.10 FEET; THENCE S 89°39'54" W A DISTANCE OF 259.20 FEET; THENCE S 00°20'06" E A DISTANCE OF 1525.64 FEET; THENCE S 00°20'06" E A DISTANCE OF 514.37 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 37°03'55" AN ARC DISTANCE OF 99.59 FEET A RADIUS OF 153.94 FEET A CHORD BEARING OF S 39°40'21" W A DISTANCE OF 97.86 FEET; THENCE S 21°08'23" W A DISTANCE OF 229.47 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 35°02'50" AN ARC DISTANCE OF 162.80 FEET A RADIUS OF 266.14 FEET A CHORD BEARING OF S 03°35'50" W A DISTANCE OF 160.27 FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 30°23'06" AN ARC DISTANCE OF 129.62 FEET A RADIUS OF 244.41 FEET A CHORD BEARING OF S 01°22'32" W A DISTANCE OF 128.10 FEET; THENCE S 16°41'56" W A DISTANCE OF 165.32 FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 27°13'59" AN ARC DISTANCE OF 210.65 FEET A RADIUS OF 443.18 FEET; A CHORD BEARING OF S 30°24'07" W A DISTANCE OF 208.67 FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 40°25'18" AN ARC DISTANCE OF 198.33 FEET A RADIUS OF 281.12 FEET A CHORD BEARING OF S 64°28'51" W A DISTANCE OF 194.24 FEET; THENCE S 84°50'50" W A DISTANCE OF 260.08 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 118°00'50" AN ARC DISTANCE OF 185.52 FEET A RADIUS OF 90.07 FEET A CHORD BEARING OF S 25°50'25" W A DISTANCE OF 154.42 FEET; THENCE S 33°09'57" E A DISTANCE OF 207.45 FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 13°12'11" AN ARC DISTANCE OF 70.44 FEET A RADIUS OF 35.65 FEET A CHORD BEARING OF S 23°33'54" W A DISTANCE OF 59.53 FEET; THENCE

S 80°17'44" W A DISTANCE OF 106.61 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 42°57'34" AN ARC DISTANCE OF 116.96 FEET A RADIUS OF 155.99 FEET A CHORD BEARING OF S 58°46'14" W A DISTANCE OF 114.24 FEET; THENCE N 36°41'50" W A DISTANCE OF 136.43 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 57°41'11" AN ARC DISTANCE OF 290.79 FEET A RADIUS OF 288.82 FEET A CHORD BEARING OF N 65°32'28" W A DISTANCE OF 278.66 FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 26°37'40" AN ARC DISTANCE OF 54.79 FEET A RADIUS OF 117.90 FEET A CHORD BEARING OF N 81°04'15" W A DISTANCE OF 54.30 FEET; THENCE N 67°45'25" W A DISTANCE OF 149.00 FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 42°41'39" AN ARC DISTANCE OF 120.64 FEET A RADIUS OF 161.90 FEET A CHORD BEARING OF N 46°24'38" W A DISTANCE OF 117.87 FEET; THENCE N 25°03'50" W A DISTANCE OF 47.84 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 24°43'28" AN ARC DISTANCE OF 111.39 FEET A RADIUS OF 258.13 FEET A CHORD BEARING OF N 37°25'35" W A DISTANCE OF 110.53 FEET; THENCE N 49°47'20" W A DISTANCE OF 128.26 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°20'36" AN ARC DISTANCE OF 108.75 FEET A RADIUS OF 339.68 FEET A CHORD BEARING OF N 58°58'13" W A DISTANCE OF 108.29 FEET; THENCE N 68°09'02" W A DISTANCE OF 86.88 FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 51°40'53" AN ARC DISTANCE OF 107.04 FEET A RADIUS OF 118.67 FEET A CHORD BEARING OF N 42°18'36" W A DISTANCE OF 103.45 FEET; THENCE N 16°28'10" W A DISTANCE OF 132.77 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 46°44'20" AN ARC DISTANCE OF 118.86 FEET A RADIUS OF 145.71 FEET A CHORD BEARING OF N 39°50'20" W A DISTANCE OF 115.59 FEET; THENCE S 26°47'27" W A DISTANCE OF 60.00 FEET; THENCE S 30°15'28" W A DISTANCE OF 3209.65 FEET; THENCE S 01°04'48" W A DISTANCE OF 1377.75 FEET; THENCE S 89°05'23" W A DISTANCE OF 1292.53 FEET; THENCE S 01°42'42" W A DISTANCE OF 1368.93 FEET; THENCE S 89°48'54" W A DISTANCE OF 2631.28 FEET; THENCE N 02°49'20" E A DISTANCE OF 1337.03 FEET; THENCE N 02°49'20" E A DISTANCE OF 2674.05 FEET TO THE POINT OF BEGINNING. CONTAINING 891.4823 ACRES MORE OR LESS.

EXCLUDING FROM THE FOREGOING ANY PART OF THE FOLLOWING PROPERTY:

A TRACT OF LAND LOCATED IN PORTIONS OF SECTION 32, TOWNSHIP 16 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN AND PORTIONS OF TRACTS 9 AND 10 OF HIGHLANDS OF TURKEY CANON RANCH, BL PASO COUNTY, COLORADO. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER N 1/16 CORNER OF SAID SECTION 32;
THENCE S 50°32'28" E A DISTANCE OF 3187.37' TO THE TRUE POINT OF
BEGINNING; THENCE AROUND A NON TANGENT CURVE TO THE LEFT
THROUGH A CENTRAL ANGLE OF 37°03'55" AN ARC DISTANCE OF 99.59
FEET A RADIUS OF 153.94 FEET A CHORD BEARING OF S 39°40'21" W A
DISTANCE OF 97.86 FEET; THENCE S 21°08'23" W A DISTANCE OF 229.47
FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL
ANGLE OF 35°02'50" AN ARC DISTANCE OF 162.80 FEET A RADIUS OF
266.14 FEET A CHORD BEARING OF S 03°35'50" W A DISTANCE OF 160.27
FEET; THENCE AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL
ANGLE OF 30°23'06" AN ARC DISTANCE OF 129.62 FEET A RADIUS OF
244.41 FEET A CHORD BEARING OF S 01°22'32" W A DISTANCE OF 128.10
FEET; THENCE S 16°41'56" W A DISTANCE OF 165.32 FEET; THENCE
AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF
20°25'30" AN ARC DISTANCE OF 157.99 FEET A RADIUS OF 443.18 FEET A
CHORD BEARING OF S 26°59'52" W A DISTANCE OF 157.15 FEET; THENCE
AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF
06°48'30" AN ARC DISTANCE OF 52.66 FEET A RADIUS OF 443.18 FEET; A
CHORD BEARING OF S 40°36'52" W A DISTANCE OF 52.63 FEET; THENCE
AROUND A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF
40°25'18" AN ARC DISTANCE OF 198.33 FEET A RADIUS OF 281.12 FEET A
CHORD BEARING OF S 64°28'51" W A DISTANCE OF 194.24 FEET; THENCE
S 84°50'50" W A DISTANCE OF 260.08 FEET; THENCE AROUND A CURVE
TO THE LEFT THROUGH A CENTRAL ANGLE OF 118°00'50" AN ARC
DISTANCE OF 185.52 FEET A RADIUS OF 90.07 FEET A CHORD BEARING OF
S 25°50'25" W A DISTANCE OF 154.42 FEET; THENCE S 33°09'57" E A
DISTANCE OF 207.45 FEET; THENCE AROUND A CURVE TO THE RIGHT
THROUGH A CENTRAL ANGLE OF 113°12'11" AN ARC DISTANCE OF 70.44
FEET A RADIUS OF 35.65 FEET A CHORD BEARING OF S 23°33'54" W A
DISTANCE OF 59.53 FEET; THENCE S 80°17'44" W A DISTANCE OF 106.61
FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL
ANGLE OF 42°57'34" AN ARC DISTANCE OF 116.96 FEET A RADIUS OF
155.99 FEET A CHORD BEARING OF S 58°46'14" W A DISTANCE OF 114.24
FEET; THENCE N 36°41'50" W A DISTANCE OF 136.43 FEET; THENCE
AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF
57°41'11" AN ARC DISTANCE OF 290.79 FEET; A CHORD BEARING OF
N 65°32'28" W A DISTANCE OF 278.66 FEET; THENCE AROUND A CURVE
TO THE RIGHT THROUGH A CENTRAL ANGLE OF 26°37'40" AN ARC
DISTANCE OF 54.79 FEET A RADIUS OF 117.90 FEET A CHORD BEARING OF
N 81°04'15" W A DISTANCE OF 54.30 FEET; THENCE N 67°45'25" W A
DISTANCE OF 149.00 FEET; THENCE AROUND A CURVE TO THE RIGHT
THROUGH A CENTRAL ANGLE OF 42°41'39" AN ARC DISTANCE OF 120.64
FEET A RADIUS OF 161.90 FEET A CHORD BEARING OF N 46°24'38" W A

DISTANCE OF 117.87 FEET; THENCE N 25°03'50" W A DISTANCE OF 47.84 FEET; THENCE AROUND A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 24°43'28" AN ARC DISTANCE OF 111.39 FEET A RADIUS OF 258.13 FEET A CHORD BEARING OF N 37°25'35" W A DISTANCE OF 110.53 FEET; THENCE N 49°47'20" W A DISTANCE OF 128.26 FEET; THENCE N 31°48'26" E A DISTANCE OF 1036.48 FEET; THENCE N 89°55'31" E A DISTANCE OF 1177.38 FEET TO THE POINT OF BEGINNING. CONTAINING 35.0476 ACRES MORE OR LESS.