

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF MET REPLAT, A RESUBDIVISION OF LOT 21, BLOCK 1
EAGLE - VAIL SUBDIVISION
FILING NO. 2, COUNTY OF EAGLE, STATE OF COLORADO

THIS DECLARATION, made this 15 day of April, 1973,
by MET MOUNTAIN COMPANY, a Limited Partnership, hereinafter referred to
as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described
in Article II of this Declaration and desires to create thereon a
residential community with common facilities for the benefit of the
said community; and

WHEREAS, Declarant desires to provide for the preservation of
the values and amenities in said community and for the maintenance
of said common facilities; and, to this end, desires to subject the
real property described in Article II to the covenants, restrictions,
easements, charges and liens hereinafter set forth, each and all of
which is and are for the benefit of said property and each owner
thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient
preservation of the values and amenities in said community, to
create an agency to which should be delegated and assigned the
powers of maintaining and administering the community properties
and facilities and administering and enforcing the covenants and
restrictions and collecting and disbursing the assessments and
charges hereinafter created; and

WHEREAS, Declarant has incorporated under the laws of the
State of Colorado, as a non-profit corporation, MET MOUNTAIN
HOMEOWNERS ASSOCIATION for the purpose of exercising the functions
aforesaid;

NOW, THEREFORE, the Declarant declares that the real property
described in Article II is and shall be held, transferred, sold,
conveyed and occupied subject to the covenants, restrictions, ease-
ments, charges and liens (sometimes referred to as "covenants and
restrictions") hereinafter set forth, all of which shall be cove-
nants running with the land described herein and shall be binding

on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

It is recognized that in addition to the covenants, conditions and restrictions herein imposed, the property described in Article II hereof is subject to the Declaration of Protective Covenants for Eagle - Vail Subdivision - Filing No. 2, which covenants have been previously recorded.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Met Mountain Homeowners Association, a Colorado nonprofit corporation, its successors and assigns.

(b) "The Properties" or "the property" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration.

(c) "Plat" shall mean and refer to the Plat of Met Replat, a Resubdivision of Lot 21, Block 1, Eagle - Vail Filing No. 2, recorded in the records of the Clerk and Recorder of Eagle, Colorado, and any amended, supplemental or additional plats or filings thereof designating lots, parts of lots, and units.

(d) "Common Area" shall mean and refer to those areas of land shown on the recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the owners of the properties.

(e) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Areas as heretofore defined.

(f) "Living Unit" shall mean and refer to any portion or all of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(g) "Declarant" shall mean and refer to Met Mountain Company, a Limited Partnership, successors or assigns.

(h) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.

(i) "Mortgage" shall include a deed of trust or other form of hypothecation.

(j) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Properties including Declarant but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgage unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. The Property. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the County of Eagle, Colorado, and is more particularly described as follows:

Met Replat, a resubdivision of Lot 21, Block 1, Eagle - Vail Subdivision, Filing No. 2, said Resubdivision being a part of the NE 1/4 of the NE 1/4 of Section 18, T5S, R18W of the 6th P.M.

all of which real property shall hereinafter be referred to as "The Property" or "the Properties".

Section 2. Additions of specific Property to Existing Property. Lots 20, 22, and 23 of Eagle - Vail Subdivision, Filing No. 2, County of Eagle, State of Colorado, may become a part of this Declaration at the election of the Declarant or Declarant's successors in interest. Declarant or Declarant's successors in interest may replat and resubdivide Lots 20, 22 and 23 of the Eagle - Vail Subdivision, Filing No. 2, in a manner similar to the replatting and resubdivision of Lot 21 of the Eagle - Vail Subdivision, Filing No. 2, subject to the approval of the appropriate county governmental authorities.

The additions authorized under this subsection shall be made by filing a record a supplementary declaration of covenants and restrictions with respect to the addition of property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

Such supplementary declaration may contain such complimentary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such supplementary declaration revoke, modify or add to the covenants established by this Declaration within the existing property.

Section 3. Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration with the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any land or living unit which is or may be subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners of a fee or undivided fee interest in a Living Unit as defined in Section 1. Class A members shall be entitled to one vote for each living unit in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any living unit, all such persons shall be members, and the vote for such living unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such living unit.

Class B. Class B members shall be those owners who own land or lots on which no Living Unit exists, and which has not been used as the land (lot) assigned to any Living Unit (or group of Living Units) under a building permit issued by the applicable authorities and which is not exempt from assessment under the terms of Article V, Section 12. By way of explanation, it is stated that Class B members are intended to be those owners who own land within the Property on which no Living Unit exists but on which Living Units might at some time be erected.

Each Class B member shall be entitled to three votes for each Living Unit which could be constructed on his land under then-applicable County of Eagle, Colorado, zoning and subdivision regulations and permits (assuming existing site plan requirements, building permit requirements and the like were met).

Class B membership shall cease and become converted to Class A membership on the happening of the sooner of the following events:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) On January 1, 1983.

After the happening of the sooner of the above two events, any member who would have been a Class B member but for the foregoing termination of Class B membership shall have one vote for each Living Unit which could be constructed on his land under

then-applicable County of Eagle zoning and subdivision regulations and permits (assuming existing site plan requirements were met).

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3, every Class A member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every living unit. Class A members may assign their easement and right of enjoyment with respect to any living unit to a tenant occupying that living unit. However, no right or easement of enjoyment shall arise in any parcel of the Common Areas until that parcel has been conveyed to the Association and the deed conveying same has been recorded on the records of the Clerk and Recorder of Eagle County. However, upon the sale of any lot or living unit to an owner, the owner or his lessee shall have the right to use the Common Area for purposes of ingress and egress.

Section 2. Title to Common Areas. The Declarant may retain the legal title to the Common Area until such time as it has completed improvements thereon and until such time as, in the opinion of the Declarant, the Association is able to maintain the same but, notwithstanding any provision herein, the Declarant hereby covenants, for itself, its successors and assigns, that it shall convey the Common Area to the Association, free and clear of all liens and encumbrances, not later than thirty (30) days after the sale by Declarant, or its successors or assigns, of the last lot or living unit included in this Declaration. The Association agrees to accept the Common Area as conveyed and to operate, maintain and repair any structures, landscaping, paths, roads and other facilities and amenities thereon, using its powers of assessment granted herein to raise funds with which to do so.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Declarant, its successors and assigns, and of the Association, in accordance with its Articles and By-Laws,

to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said properties; provided that any such mortgage shall require the same vote and quorum of members of the Association as are required for the levying of special assessments under Article V, Section 4, and the vote of not less than 75% of the first mortgagees. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the members until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the members hereunder shall be fully restored; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure; and

(c) The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) The right of the Association to charge reasonable admission and other fees for the use of the Common Areas; and

(e) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless members entitled to cast three-fourths (3/4) of the votes of each class of membership and not less than seventy-five percent (75%) of the first mortgagees of each unit within the Properties agree to such dedication, sale or transfer, purpose or condition, and an instrument reflecting such agreement is recorded with the Clerk and Recorder of Eagle County, Colorado, and further written notice of the proposed agreement and action thereunder is required to be sent to every member at least ninety (90) days in advance of any action taken.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each living unit within The Properties, hereby covenants, and each owner of any living unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, which are payable in monthly installments; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments on each living unit, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the real property and interests therein which comprise that living unit and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association through its Board of Directors shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, utility services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and of the homes situated upon The Properties, including, but not limited to, the payment of taxes and all types of insurance and premiums deemed necessary by the Board of Directors, and repairs, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof, and further including, but not limited to, the following: all water bills; snow removal; trash collection; the construction, reconstruction, planting, repair, fertilization, application of herbicides and pesticides to, and cutting and trimming, irrigation and care of all manner of landscaping and irrigation systems,

either on Common Areas or other properties; maintenance of islands and medians in streets; cleaning and maintenance of the solar panels, spraying of insecticides; construction, maintenance, repair and rebuilding of all manner of drainage facilities; providing adequate insurance of all types, and in such amounts deemed necessary by the Board of Directors with respect to Common Areas, buildings and public ways; legal and accounting fees and costs associated with activities of the Association; creation of reasonable reserves for working capital or anticipated replacement or repair of property or other major expenditures; and all things necessary or incidental thereto.

Section 3. Maximum Assessments. Until the year beginning January 1, 1979, the maximum annual assessment shall be \$730.00 per living unit for those living units built or actually constructed on the properties.

(a) From and after January 1, 1980, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1, 1980, the maximum annual assessment may be increased above ten percent (10%) by vote of seventy-five percent (75%) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors of the Association shall, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year, which may be a lesser amount than the maximum.

(d) Nothing herein shall prevent the Board of Directors from collecting the annual assessment on a monthly basis.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy a special assessment, applicable to such years as are described in the resolution authorizing the assessment, 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 Properties, including the necessary fixtures and personal property related thereto, provided that a resolution establishing any such assessment shall have the assent of three-fourths (3/4) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

All or any part of the proceeds of any special assessment made as above provided, for the entire period over which the assessment is to be levied or any part thereof, may be assigned to a lender as security for repayment of a loan or loans made to pay, in whole or in part, the expenditure for which the special assessment was authorized. The rights granted to the lender under such assignment may include the right to require the Association to collect the special assessment, and the right of the lender directly to enforce any right of the Association to collect the special assessment. Any such assignment of the proceeds of any special assessment shall require approval by vote in the same manner as the special assessment itself.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the period therein specified, the Association may change the maximum and basis of the assessments fixed by Section 4 hereof prospectively for any such period, provided that any such change shall have the assent of three-fourths (3/4) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section 3

hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger of consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 2, hereof, and provided further that land on which no living unit exists shall not be assessed except in the manner provided for herein.

Section 6. FHLMC Restriction. Unless at least seventy-five percent (75%) of the first mortgagees of the lots within The Properties have given their prior written approval, the Association shall not be entitled to change the method of determining the obligations, assessments, dues or other charges which may be levied against a lot.

Section 7. Quorum for any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of members, or of proxies, entitled to cast seventy-five percent (75%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be onehalf (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 9. Date of Commencement of Assessments; Due Dates. The annual assessments provided for herein shall commence on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The first annual assessment shall be made before the balance of the calendar year and shall become due and payable on the day

fixed for commencement. The assessments for any year, after the first year, shall become due and payable on the first day of March of said year. However, nothing herein shall prevent the Board of Directors from making one-twelfth (1/12) of each annual assessment due on a day each month fixed by the Board of Directors.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is added to the properties already subject to assessment, at a time other than the beginning of any assessment period.

The due date for any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 9. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each lot or living unit for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any owner.

Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall upon demand at any time furnish to any owner liable for said assessment or any mortgagee or potential mortgagee or purchaser of property subject to assessment a certification in writing signed by an officer of the Association, setting forth whether said assessment has been paid and the amount of any unpaid assessments. As to any mortgagee or purchaser who had disbursed funds in reliance thereon, such certificate shall be conclusive against the Association as to items set forth therein.

Section 10. Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; Remedies of the Association. If an assessment is not paid on the date when due as specified in Section 9 or as set by the Board of Directors, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property subject to the assessment, which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The assessment shall be a lien against the real property which comprises the lot or living unit assessed, and all appurtenances thereto and fixtures thereon. The real property comprising a lot or living unit shall include fee ownership in any lot occupied by a single-family dwelling, together with the dwelling and all fixtures and appurtenances. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property subject thereto; and there shall be added to the amount of such assessment interest as above provided plus all costs of collection, including the Association's reasonable attorney's fees incurred in connection with the default and collection of amounts due. If the Association elects to file a lien, the Association may file with the Clerk and Recorder of the County wherein the property is situate, a Statement of Lien with respect to the property, setting forth the name of the Owner, the legal description of the property, the name of the Association, and the amount of delinquent assessments then owing, which Statement shall be duly signed and acknowledged by the President or a Vice President of the Association, and which shall be served upon

the Owner of the Property by certified mail to the address of the property or at such other address as the Association may have in its records for the Owner of the Property. Thirty (30) days following the mailing of such notice, the 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. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action, the interest, costs and reasonable attorney's fees with respect to the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

Section 11. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to issue of a deed to such property pursuant to a decree of foreclosure, or a public trustee's deed pursuant to foreclosure through the public trustee, or a deed issued in any other proceeding in lieu of foreclosure. Such deed shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 12. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1, hereof; (c) all properties exempted from taxation by the laws of the State of Colorado, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

Section 13. Examination of Books and Records. A first mortgagee shall have the right to examine the books and records of the Association.

Section 14. Notice to Mortgagee. Upon request of a first mortgagee of any Unit, the Association shall report to such first mortgagee any unpaid assessments or other default under the term of this Declaration which are not cured by said mortgagee's mortgagor within thirty (30) days.

Section 15. Payment of Delinquent Taxes and Insurance. The Association agrees that First Mortgagees of the Lots within the Project may, at their option, jointly or singularly pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay over due premiums for hazard insurance or secure new hazard insurance coverage on the lapse of any such policy on the common areas. The Association hereby agrees that in the event any First Mortgagee makes any such payments, the same shall be immediately reimbursed by the Association. Further, the Association agrees that notwithstanding the above, no First Mortgagee shall be obligated to make any of the payments hereinabove set forth, but may do so only upon the exercise of the option granted to them hereby.

Section 16. Professional Management. This Project may be managed by a Professional Real Estate Management Company licensed to do business in the State of Colorado and the Association's Board of Directors shall be allowed to retain the services of such a company, provided that the term of any such contract shall not be in excess of three (3) years and shall be terminable on ninety (90) days written notice.

Section 17. Notice of Meetings. Any first mortgagee of a Unit, upon written request, shall be entitled to written notice of all Association meetings and be permitted to send a representative to such meetings.

Section 18. Mortgagee as Proxy. Each owner shall have the right to irrevocably constitute and appoint the beneficiary

of a trust deed their true and lawful attorney to cast their vote in this Association at any and all meetings of the Association and to vest in the beneficiary any and all rights, privileges and powers that they have as Unit Owners under the Certificate of Incorporation and By-Laws of this Association or by virtue of the recorded Declaration of Covenants, Conditions and Restrictions. Such proxy shall become effective upon the filing of notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the Unit owners to carry out their duties as set forth in the Declaration of Covenants, Conditions and Restrictions. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein shall be construed to relieve a Unit owner as a mortgagor of their duties and obligations as a Unit owner or to impose upon the beneficiary of the deed of trust the duties and obligations of a Unit owner.

Section 19. Assessment Reserves. The Association or the managing agent may require an owner other than declarant to deposit with the Association up to three times the amount of the estimated monthly common assessment, without interest, which sum shall be held by the managing agent or the Association as a reserve to be used for paying such owner's monthly common assessment and for working capital. Such an advance payment shall not relieve an owner from making the regular monthly payments of the monthly common assessment as the same comes due. On the sale of his Living Unit an owner shall be entitled to a credit from the grantee for an unused portion thereof.

ARTICLE VI

INSURANCE

Section 1. Association to Maintain Insurance on Buildings. The Board of Directors of the Association or its agent shall obtain and maintain at all times insurance

of the type and kind hereinafter provided: A policy of property insurance in an amount equal to the full replacement value (i.e., 100% of current "replacement cost" exclusive of land, and other items normally excluded from coverage) of the Buildings located on each lot with an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, and if necessary, an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Buildings Laws Endorsement" or the equivalent, such insurance to afford protection against at least the following:

(a) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and for debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and

(b) such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

The insurance shall be carried in blanket policy form naming the Association as insured, as attorney in fact, for all Unit Owners. The policy or policies shall identify the interest of each Unit Owner (Owner's name and address and/or Unit number designation) and shall contain a standard non-contributory clause in favor of each first mortgagee, and a provision that it cannot be cancelled or materially altered by either the insured or the insurance company until ten (10) days prior written notice thereof is given to each Owner and each first mortgagee. The Association shall furnish a certified copy of such blanket policy, the certificate identifying the interest of the Owner, to any party in interest upon request. All blanket policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of a particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance with any provision of such policy, including payment of the

insurance premium applicable to that Owner's interest or who permits or fails to prevent the happening of any event whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy as to the interest of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Section 2. Other Insurance to be Maintained by Owners.

Insurance coverage on the furnishings and other items of personal property belonging to an Owner, and public liability insurance coverage within each Unit shall be the responsibility of the Owner thereof.

Section 3. Other Insurance. The Association shall maintain:

(a) A comprehensive policy of public liability insurance covering all of the common areas insuring the Association in an amount not less than \$ 500,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

(b) The Association shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of such Association and all others who handle or are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

(1) all such fidelity bonds shall name the Association as an obligee, and

(2) such fidelity bonds shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the planned unit development project, including reserves, and

(3) such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(c) All such policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a member of the Association and shall provide that the policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all insureds, including the mortgagees of any Unit. Duplicate originals of all policies and renewals thereof, together with proof of payment of premiums, shall be delivered to any first mortgagee of any Unit upon written request. The insurance shall be carried in blanket forms naming the Association as the insured, as trustee for each of the Owners.

Section 4. Reappraisal. The Association shall, at least every year obtain an appraisal for insurance purposes which shall be maintained as a permanent record, showing that the insurance in any year represents one hundred percent (100%) of the full replacement value of the improvements on each Unit and of the insurable Common Area.

Section 5. Notice of Damage. The Association shall notify each first mortgagee of a Unit wherever damage to any Unit exceeds \$1,000.00. Said notification shall be delivered within twenty (20) days after the event causing the damage.

ARTICLE VII

DAMAGE OR DESTRUCTION

Section 1. Destruction of Improvements on Lot.

(a) In the event of damage or destruction to a Unit due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the Unit, shall be deposited into a bank account which requires, for withdrawals, the signatures of the Owner and an officer of the Association. The Owner

and the Association shall then promptly authorize the necessary repair and reconstruction work, and the insurance proceeds will be applied by the Association and the Owner to defray the cost thereof. "Repair and reconstruction" of the Units, as used herein, means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each Unit having the same boundaries as before.

(b) If the insurance proceeds are insufficient to repair and reconstruct any damaged Unit, such damage or destruction shall be promptly repaired and reconstructed by the Owner and Association, using the insurance proceeds and the proceeds of a special assessment against the Owners of the damaged Unit. Any such assessments shall be equal to the amount by which the cost of reconstruction or repair of the Units exceeds the sum of the insurance proceeds allocable to such Unit. Such assessment shall be due and payable as provided by resolution of the Board of Directors, but not sooner than thirty (30) days after written notice thereof. The special assessment provided for herein shall be a debt of each Owner and a lien on his Unit and the improvements thereon and may be enforced and collected by foreclosure proceedings in the courts.

(c) Notwithstanding the above, the Owners and first mortgagees of any or all of the destroyed or damaged Unit may agree that the destroyed or damaged Units shall forthwith be demolished and all debris and rubble caused by such demolition be removed and the portion of the Lot regraded and landscaped to the satisfaction of the Architectural Control Committee of the Association. The cost of such landscaping and demolition work shall be paid for by any and all insurance proceeds available. Any excess insurance proceeds shall then be disbursed to such Owner and their first mortgagees jointly and said Owner shall convey his Unit to the Association and the same shall become part of the Common Area.

Section 2. Damage to Common Area. In the event of damage or destruction to all or a portion of the Common Area

due to fire or other disaster, the insurance proceeds if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such Common Area damage or destruction are insufficient to repair and reconstruct the damaged or destroyed Common Areas, the Association shall present to the members a notice of a special assessment for approval by the membership in accordance with Article V, Section 4. If such assessment is approved, the Association shall make such assessment and proceed to make such repairs or reconstruction. If such assessment is not approved, the insurance proceeds may be applied in accordance with the wishes of the membership as expressed by majority vote, except that the proceeds shall not be distributed to the Owners, unless made jointly payable to Owners and the first mortgagees of their respective Unit, if any. The assessment to each Owner and Unit shall be in the same percentages as provided for the payment of annual assessment. Such assessment shall be due and payable as provided by resolution of the Board of Directors, but not sooner than thirty (30) days after written notice thereof. The assessment provided for herein shall be a debt of each Owner and a lien on his Unit thereon and may be enforced and collected by foreclosure proceedings in the courts.

ARTICLE VIII

CONDEMNATION

Section 1. Condemnation. If at any time or times during the continuance of ownership pursuant to this Declaration all or any part of the Common Areas shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions of this Article shall apply:

(a) Proceeds. All compensation, damages or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award" shall be payable to the Association.

(b) Complete Taking.

(1) In the event that all of the Common Areas are

taken or condemned or sold or otherwise disposed of, in lieu of or in avoidance thereof, the Condemnation Award shall be apportioned among the Owners in the same percentages as provided for the payment of annual assessments and payment of said apportioned amounts shall be made payable to the owner and the first mortgagee of his Unit jointly.

(2) On the basis of the principal set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled.

(c) Partial Taking. In the event that less than the entire Common Area is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the Condemnation Award shall first be applied by the Association to the rebuilding and replacement of those improvements on the Common Area damaged or taken by the condemning public authority, unless seventy-five percent (75%) of the Owners and the first mortgagees of each Unit agree otherwise. Any surplus of the award of other portion thereof not used for rebuilding and replacement, shall be used by the Association for the future maintenance of the Common Area and exterior maintenance of the Units situated on each Lot.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the dwelling units upon The Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts of omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be a majority of all the arbitrators and shall be binding on all parties and shall be final.

ARTICLE X

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance and exterior repair upon each Townhome constructed on a lot, as follows: paint or stain; repair, replacement and care of roofs, gutters, downspouts; and repair of exterior building surfaces; planting and maintaining trees, shrubs, grass, walks and other exterior improvements, provided, however, that the Association shall not be responsible for the planting and maintaining of trees, shrubs, grass, gardens, or ornamental landscaping with the private ownership area on any Lot.

Such exterior maintenance shall not include the maintenance and repair of entry doors and frames, or glass in sliding glass doors and windows which shall be the sole responsibility of the Owner. Determination of whether such repair or maintenance is the obligation of the Association shall rest solely with the Association, which shall also have sole responsibility for determining the kind and type of materials used in such repair and maintenance. The color scheme for painting or staining the units shall be controlled by the Board of Directors.

If the need for maintenance or repair is caused through the willful or negligent act of any Owner, his agent, family, guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Owner's Lot is subject.

ARTICLE XI

CLEANING OF SOLAR UNITS

In addition to the maintenance upon the Common Areas, the Association shall provide for the cleaning of the solar panels or solar walls on the units. The maintenance of the solar units beyond the cleaning of the solar panels or walls shall be at the sole discretion of the Association.

ARTICLE XII

PETS WITHIN THE COMMON PROPERTIES

Dogs, cats and other household animals shall not be allowed to run at large within the Common Areas, but shall be at all times on a leash or other immediate control of its owners. It shall be the duty of the Association, or its representative, to notify the proper authorities of pets found at large within The Properties in violation of County regulations.

ARTICLE XIII

EASEMENTS

Section 1. Utility Easement. Easements for public utilities over and across the Common Areas shall be those shown upon the recorded plat of The Properties, and such other easements as may be established pursuant to the provisions of this Declaration

or as may hereinafter be granted over and across the Common Areas by the Board of Directors of the Association.

Section 2. Declarant's Easements. Anything to the contrary herein notwithstanding, the Declarant and/or its agents hereby reserve an easement and right-of-way over all Common Areas and all lots not conveyed for the sole use of constructing improvements, utilities and other matters including the right to erect temporary buildings to store any and all materials. This reservation shall terminate upon conveyance of the last lot platted in The Properties. Declarant and/or its agents further reserve the right to use any completed structure for the purpose of sales office, construction office or model home for demonstration purposes. This reservation shall cease on December 31, 1979.

Section 3. Special Easements. Due to the anticipated style of improvements to be placed on certain Lots, an improvement may be located on or so near its property line so as to make entry upon an adjoining Lot or Lots a necessity incident to the construction and maintenance of such improvement. In the event the above situation shall exist, then at the time of the commencement of the construction of such improvement, provided such construction shall commence within twelve (12) years after the date of the recording of this Declaration, there shall thereby be created an easement or easements for the construction, maintenance, repair, replacement and/or reconstruction of such improvements so located on or near its property line. Said easement or easements (1) shall be over and across the Lot or Lots immediately adjoining the Lot upon which such improvement is so located, (2) shall extend the full depth of the adjoining Lot or Lots, and (3) shall extend into so much of the adjoining Lot or Lots as is necessary to provide the Owner of such improvement so located with an easement of such width that, when added to the space lying between the improvement and its property line, such easement shall be six feet in width.

If any portion of a roof overhang of an improvement as initially constructed by the Declarant, or its agents, encroaches upon an adjoining Lot or Lots, a valid easement for such encroachment and the construction, maintenance, repair, replacement and/or reconstruction shall, and does, exist.

For title and other purposes, such easements shall not be considered or deemed to be encumbrances upon such adjoining Lot.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty-five (35) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then owners of two-thirds (2/3) of the living units and the then holders of three-fourths (3/4) of the first mortgages has been recorded, agreeing to change said covenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every owner at least ninety (90) days in advance of any action taken.

Section 2. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid to the last known address of the person who appears as member or owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

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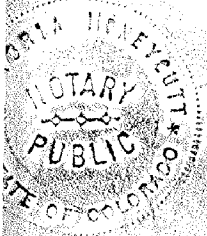
Partnership
Quincy Wayne Institute

Dudley Wayne Mitchell, General Partner
Dudley W. Mitchell under power of
attorney for John Hardin Stearns
John Hardin Stearns, General Partner

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My commission expires: March 30, 1981

Victoria Honeycutt
Notary Public



165469

STATE OF COLORADO }
County of EAGLE } ss.
I hereby certify that this instrument was
Filed for record in my office on

APR 18 1978

a 1⁰⁰ o'clock PM and recorded
in Book 269 Page 84
MAURICE A. BARZ, County Clerk & Recorder
By Stan Hall Deputy

#54.00 pd