

WILLITS TOWNHOMES
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
Basalt, Colorado



640492 11/25/1997 04:42P B744 P346
1 of 27 R 136.00 D 0.00 Sara J Fisher, Eagle, CO

TABLE OF CONTENTS
OF
WILLITS TOWNHOMES
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

ARTICLE I - RECITALS	1
Section 1. <u>The Declarant</u>	1
Section 2. <u>The Property</u>	1
Section 3. <u>The Development</u>	1
Section 4. <u>The Plat</u>	1
Section 5. <u>The Community</u>	1
Section 6. <u>Master Covenants</u>	2
Section 7. <u>The Name</u>	2
Section 8. <u>The Purpose</u>	2
ARTICLE II - DEFINITIONS	2
Section 2. <u>Unit, Lot, or Townhome Lot</u>	2
Section 3. <u>Owner</u>	2
Section 4. <u>Association</u>	2
Section 5. <u>Mortgage</u>	2
Section 6. <u>Mortgagee</u>	2
Section 7. <u>Common Expenses</u>	3
Section 8. <u>Common Elements</u>	3
Section 9. <u>Limited Common Element</u>	3
Section 10. <u>Amended Annexation Agreement</u>	3
ARTICLE III - TOWNHOME OWNERSHIP	3
Section 1. <u>Separate Interests</u>	3
Section 2. <u>No Right to Combine Units</u>	3
Section 3. <u>Title</u>	3
Section 4. <u>Enjoyment of Common Elements</u>	3
Section 5. <u>Inseparability</u>	3
Section 6. <u>No Partition</u>	3
Section 7. <u>Separate Titles and Taxation</u>	4
Section 8. <u>Mechanic's Lien Rights</u>	4
Section 9. <u>Description of Units</u>	4
ARTICLE IV - EASEMENTS AND PARTY WALLS	4
Section 1. <u>Plat Dedication</u>	4
Section 2. <u>Enjoyment and Access</u>	4



Section 3. <u>Parking Easements</u>	5
Section 4. <u>Utilities</u>	5
Section 5. <u>Maintenance Easement</u>	5
Section 6. <u>Party Wall Easements</u>	5
Section 7. <u>General Law - Party Walls</u>	5
Section 8. <u>Repair and Maintenance - Party Walls</u>	5
Section 9. <u>Party Walls - Casualty</u>	5
Section 10. <u>Encroachments</u>	6
Section 11. <u>Creation</u>	6
ARTICLE V - IMPROVEMENTS AND COMMON ELEMENTS	6
Section 1. <u>The Complex</u>	6
Section 2. <u>The Units</u>	6
Section 3. <u>Addition of Other Property</u>	6
ARTICLE VI - THE ASSOCIATION	7
Section 1. <u>The Name</u>	7
Section 2. <u>Membership</u>	7
Section 3. <u>Voting</u>	7
Section 4. <u>Exercise of Powers</u>	7
Section 5. <u>Assessments</u>	7
Section 6. <u>Equality of Assessment</u>	8
Section 7. <u>Payment of Assessments</u>	8
Section 8. <u>Periodic Assessments</u>	9
Section 9. <u>Added Charges</u>	9
Section 10. <u>Collection of Assessments</u>	9
Section 11. <u>Assessment Liens</u>	9
Section 12. <u>Budgets to be Approved by the Members</u>	9
ARTICLE VII - MAINTENANCE	9
Section 1. <u>Association's Duties- Common Elements</u>	9
Section 2. <u>Association's Duties - The Units</u>	10
Section 3. <u>Owner's Duties</u>	10
Section 4. <u>Materials.</u>	10
Section 5. <u>Landscaping and Lawn Care.</u>	11
Section 6. <u>Determination of Obligation.</u>	11
Section 7. <u>Miscellaneous.</u>	11
Section 8. <u>Supervision.</u>	11
ARTICLE VIII- ARCHITECTURAL CONTROL - DESIGN REVIEW BOARD	11
ARTICLE IX - DECLARANT'S RESERVED DEVELOPMENT RIGHTS	11
Section 1. <u>Rights Reserved</u>	11



Section 2. <u>Time Limit</u>	13
Section 3. <u>Exercise of Development Rights</u>	13
Section 4. <u>Development Rights/Allocated Interests</u>	13
Section 5. <u>Boundaries</u>	13
Section 6. <u>Promotional Activity of the Declarant</u>	13
Section 7. <u>Release or Transfer</u>	13
 ARTICLE X - DECLARANT'S RIGHTS TO CONTROL THE ASSOCIATION AND LIMITATIONS	14
Section 1. <u>This Article Controls</u>	14
Section 2. <u>Period of Declarant Control</u>	14
Section 3. <u>Limitation of Appointment Powers</u>	14
Section 4. <u>Voluntary Surrender</u>	14
Section 5. <u>Association's Records</u>	15
 ARTICLE XI - USE RESTRICTIONS	15
Section 1. <u>No Re-subdivision</u>	15
Section 2. <u>Leases</u>	15
Section 3. <u>Master Covenants</u>	15
 ARTICLE XII - WATER AMENITIES	15
Section 1. <u>Notice</u>	15
Section 2. <u>No Liability</u>	15
Section 3. <u>Prohibitions</u>	15
Section 4. <u>Release</u>	16
 ARTICLE XIII - ALLOCATED INTERESTS	16
Section 1. <u>Allocations</u>	16
Section 2. <u>Adjustments</u>	16
 ARTICLE XIV - INSURANCE	16
Section 1. <u>Association to Maintain Insurance</u>	16
Section 2. <u>Property Insurance</u>	16
Section 3. <u>Liability Coverage</u>	17
Section 4. <u>Non-Availability</u>	17
Section 5. <u>Additional Coverage Required</u>	17
Section 6. <u>Adjustment of Property Loss</u>	18
Section 7. <u>Association to Adopt Procedures</u>	18
Section 8. <u>Owner's Insurance</u>	18
Section 9. <u>Officers and Directors</u>	18
Section 10. <u>Fidelity Bonds and Insurance</u>	18
Section 11. <u>Worker's Compensation and Employer's Liability Insurance</u>	18



Section 12. <u>Managing Agent Insurance</u>	19
Section 13. <u>Other Insurance</u>	19
Section 14. <u>Insurance Expense</u>	19
ARTICLE XV - ASSESSMENT CERTIFICATES AND NOTICES	19
Section 1. <u>Assessment Certificates</u>	19
Section 2. <u>Notice of Assessment Liens</u>	19
ARTICLE XVI - GENERAL PROVISIONS	19
Section 1. <u>Notices to Owners</u>	19
Section 2. <u>Recording Data</u>	19
Section 3. <u>Easement Rights</u>	20
Section 4. <u>Covenants to Run with the Land</u>	20
Section 5. <u>Termination of Declaration</u>	20
Section 6. <u>Enforcement</u>	20
Section 7. <u>Amendments</u>	20
Section 8. <u>Duration</u>	20
Section 9. <u>Severability</u>	20



640492 11/25/1997 04:42P B744 P546
5 of 27 R 136.00 D 0.00 Sara J Fisher, Eagle, CO

WILLITS TOWNHOMES

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

(Basalt, Colorado)

KNOW ALL MEN BY THESE PRESENTS that The Willits Group LLC, does hereby declare and adopt the following Declaration of Covenants, Conditions and Restrictions (the "Declaration"), which shall run with the real property hereafter described, and shall be binding upon all parties acquiring any interest therein or thereto.

ARTICLE I - RECITALS

Section 1. The Declarant. The Willits Group LLC (the "Declarant") is a limited liability company duly organized and existing under and by virtue of the laws of the State of Colorado.

Section 2. The Property. The real property submitted to this Declaration is located in the Town of Basalt, County of Eagle, State of Colorado, and is described, as follows:

Parcel 4A

Sopris Meadows Planned Unit Development

according to the Final Plat thereof recorded July 16, 1996, in Book 699, at Page 897, as Reception No. 595887 of the Eagle County, Colorado records (the "Property" or "Parcel 4A").

Section 3. The Development. The Final Plat of Sopris Meadows Two, Filing No. 1, recorded April 7, 1997, in Book 723, at Page 122, as Reception No. 619090 of the Eagle County, Colorado records shows the Property and the building envelopes within which multi-family dwelling units are intended. The Property shall be subdivided in phases by the filing of successive additional Plats and developed as townhomes.

Section 4. The Plat. The initial phase of the development is depicted on the Final Plat of Willits Townhomes, Filing No. 1, recorded in Book 744, at Page 545, as Reception No. 640491 of the Eagle County, Colorado records. The Plat creates ten (10) townhome lots or units within two (2) of the designated building envelopes.

Section 5. The Community. The Property submitted to this Declaration shall be developed as a common interest community within the meaning of the Colorado Common Interest Ownership Act (the "Act"). The Development will constitute a "condominium," within the meaning of the Act. The number of dwelling units authorized on the Property (Parcel 4A) is forty-seven (47). Declarant reserves no right to create any additional dwelling units within Parcel



4A; however, Declarant does reserve the right to annex other real property containing additional dwelling units to the Community.

Section 6. Master Covenants. The Property is hereby submitted and declared subject to the Sopris Meadows PUD Declaration of Covenants, Conditions and Restrictions (Multi-Family Parcels) recorded in Book 744, at Page 544, as Reception No. 640490 of the Eagle County, Colorado records. The provisions thereof are incorporated herein by this reference.

Section 7. The Name. The name of the common interest community is WILLITS TOWNHOMES.

Section 8. The Purpose. The purpose of this Declaration is to further the interests of the Community, to protect and enhance the property values, to set forth Declarant's reserved development rights and to otherwise effectuate the terms and provisions of the Act.

ARTICLE II - DEFINITIONS

The following terms shall have the following meanings when used herein unless the context otherwise requires:

Section 1. Plat. Plat shall mean the Final Plat of Willits Townhomes, Filing No. 1, referenced in Article I, Section 4 above.

Section 2. Unit, Lot, or Townhome Lot. The term "unit", the term "lot", and the term "townhome lot" are interchangeable. Each term means a physical portion of the Property designated for separate ownership and shall refer to any of the numbered units shown on the Plat or on the Final Plat of any Filing hereafter submitted to this Declaration.

Section 3. Owner. Owner means and refers to any person or entity, including the Declarant, at any time owning a unit.

Section 4. Association. Association means and refers to WILLITS TOWNHOMES ASSOCIATION, a Colorado corporation not for profit.

Section 5. Mortgage. Mortgage means and refers to any mortgage, deed of trust or other security instrument by which a unit or any part thereof is encumbered.

Section 6. Mortgagee. Mortgagee means and refers to any person or entity named as a mortgagee or beneficiary under any deed of trust or mortgage under which the interest of any owner is encumbered.



Section 7. Common Expenses. Common expenses means and refers to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 8. Common Elements. Common elements means and includes all parts of the property, grounds, improvements, installations and facilities which are not included within a unit.

Section 9. Limited Common Element. Limited common element means a portion of the common elements allocated by the Declaration for the exclusive use of one (1) or more units, but fewer than all of the units.

Section 10. Amended Annexation Agreement. Amended Annexation Agreement means and refers collectively to the Amended Annexation Agreement recorded in Book 689, at Page 757, as Reception No. 585757, and to the First Addendum to Amended Annexation Agreement recorded in Book 699, at Page 896, as Reception No. 595886 of the Eagle County, Colorado records.

ARTICLE III - TOWNHOME OWNERSHIP

Section 1. Separate Interests. That portion of the Property shown on the Plat is hereby divided into common elements and separate fee simple interests in the individual units depicted thereon. The ownership of a unit includes and is subject to the easements, rights, and obligations created by this Declaration or the By-Laws of the Association.

Section 2. No Right to Combine Units. Each unit shall be utilized by the owner or owners thereof as a separate unit. In no event shall two or more units be utilized by the owner or owners thereof as one unit, nor shall any alterations be made in any of the walls between units in order to permit access between the units.

Section 3. Title. Title to a unit may be held or owned by any person or entity in any manner by which title to any other real property may be held or owned in the State of Colorado.

Section 4. Enjoyment of Common Elements. Subject to the limitations contained in this Declaration, every owner shall have the nonexclusive right to use and enjoy the general common elements and those limited common elements appurtenant to his unit.

Section 5. Inseparability. Every conveyance, transfer, gift, devise, encumbrance, or other disposition of a unit, or any part thereof, shall be presumed to be a conveyance, transfer, gift, devise, encumbrance, or disposition, as the case may be, of the entire unit, together with all appurtenant rights created by this Declaration. No part of a unit or of the legal rights appurtenant thereto may be separated from any other part thereof.

Section 6. No Partition. No owner may bring any action for partition of the common elements.



Section 7. Separate Titles and Taxation. Each unit, together with its interest in the common elements, constitutes for all purposes a separate parcel of real estate and must be separately assessed and taxed. The value of the common elements shall be assessed proportionately to each unit in accordance with such unit's allocated interest in the common elements. The common elements shall not be separately taxed or assessed. Each unit is allocated an equal proportionate share in the common elements. Upon the filing for recordation of this Declaration, the Declarant shall deliver a copy of such filing to the Assessor of Eagle County, Colorado. Thereafter, all taxes, assessments, and other charges of the State, or any political subdivision, or of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each unit, each of which shall be carried on the tax roles as a separate and distinct parcel for that purpose. No forfeiture or sale of any unit for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title of the other units.

Section 8. Mechanic's Lien Rights. No labor performed or materials furnished for use in connection with any unit with the consent or at the request of an owner, his agent, or subcontractor shall create any mechanic's lien or right to file a statement of mechanic's lien against the unit of any other owner, or against any interest in the common elements.

Section 9. Description of Units. Every deed for the conveyance of a unit and every other instrument affecting title to a unit may describe that unit by the number shown on the Plat with appropriate reference to the Plat and to this Declaration, as each shall appear in the records of Eagle County, Colorado, in the following fashion:

LOT _____,
WILLITS TOWNHOMES, FILING NO. 1
according to the Plat thereof
recorded in Book _____, at Page _____,
as Reception No. _____ and the
Declaration recorded in Book _____, at
Page _____, as Reception No. _____
of the Eagle County, Colorado, records.

ARTICLE IV - EASEMENTS AND PARTY WALLS

Section 1. Plat Dedication. All dedicated easements shown on the Plat or provided herein are hereby dedicated or reserved for the purposes intended.

Section 2. Enjoyment and Access. Every owner shall have a non-exclusive right and an easement appurtenant to his unit for the enjoyment and use of the common elements and for access to his unit, including an easement for ingress and egress for pedestrian traffic over, through, and across sidewalks, paths, walks, and lanes as the same may from time to time exist upon the



common elements and for pedestrian and vehicle traffic over, through, and across such roads, drives and parking areas as from time to time may be paved and intended for such purposes.

Section 3. Parking Easements. Every owner shall have the exclusive right and a perpetual easement appurtenant to his unit for the use of the driveway, or portion thereof, assigned to his unit, as designated on the Plat.

Section 4. Utilities. The Property shall be subject to a blanket easement over, across, and through the common elements to install, repair, replace, and maintain all utilities, including, without limitation, water, sewer, gas, telephone, electricity, and cable TV. The units themselves shall be subject to easements in favor of the Association to maintain, repair, replace or reconstitute common utility service lines, fixtures, equipment and facilities serving the units.

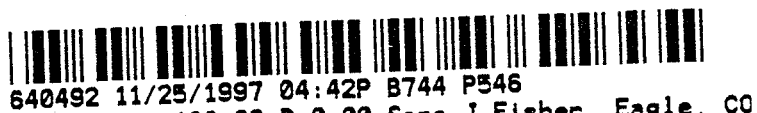
Section 5. Maintenance Easement. The common elements, and to the extent necessary, the units themselves, shall be subject to a non-exclusive right and easement in the Association, including its agents, employees, contractors, and subcontractors, as may be necessary or appropriate for the performance of the duties and functions which the Association is permitted or obligated to perform under this Declaration and for providing maintenance and repairs.

Section 6. Party Wall Easements. Mutual reciprocal easements are hereby established, declared, and granted for all party walls between improvements constructed or to be constructed on the lots, which reciprocal easements shall be for mutual support, and shall be governed by this Declaration. Every deed, whether or not expressly so stating, shall be deemed to convey and to be subject to such reciprocal easements.

Section 7. General Law - Party Walls. Each wall which is built as a part of the original construction of the townhomes upon the property and placed on the dividing line between the lots shall constitute a party wall. 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 or omissions shall apply thereto.

Section 8. Repair and Maintenance - Party Walls. The cost of reasonable repair and maintenance of any party wall shall be borne equally by the owners on either side of the party wall. If one of the owners refuses to pay his proportionate share of the cost of repair or maintenance, then the other owner may cause the party wall to be repaired and shall be entitled to assess the share of the cost attributable to the adjoining owner against the non-paying adjoining owner's lot, and the same shall become and remain a lien against said lot until fully paid. Said lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

Section 9. Party Walls - Casualty. If a party wall is destroyed or damaged by fire or other casualty not covered or not fully covered by the insurance to be maintained by the Association, any owner served by the wall may restore it, or complete the restoration, and the other owner



shall contribute to the cost of restoration thereof an equal proportionate share, without prejudice however, to the right of any such owner to call for a larger contribution from the other owner under any rule of law regarding liability for negligent or willful acts or omissions. If one owner causes the wall to be restored, or completes the restoration, and any other owner served by the party wall does not contribute his full allocable share to the costs incurred by the owner who caused the wall to be restored, the costs attributable to the non-paying adjoining owner shall be assessed against that owner's lot, and the same shall become and remain a lien against said lot until fully paid. Said lien may be foreclosed in the manner provided by law for the foreclosure of a mortgage on real property.

Section 10. Encroachments. If a unit shall encroach upon any other unit by reason of original construction or by the non-purposeful or non-negligent act of the owner, then an easement appurtenant to such encroaching unit, to the extent of such encroachment, shall exist so long as such encroachment shall exist. If any common improvement shall encroach upon any unit by reason of original construction, or the non-purposeful or non-negligent act of the Association, then an easement appurtenant to such common improvement to the extent of such encroachment shall exist so long as such encroachment shall exist.

Section 11. Creation. All conveyances of units hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to the preceding Sections of this Article, even though no specific reference to such easements appear in the conveyance. Such easements and covenants are intended and hereby are declared to run with the land and to be appurtenant to the respective units, and each of them.

ARTICLE V - IMPROVEMENTS AND COMMON ELEMENTS

Section 1. The Complex. Willits Townhomes shall, initially, consist of two (2) buildings containing a total of ten (10) townhome lots with common elements as more particularly described in this Declaration and set forth on the Plat. A total of forty-seven (47) townhome lots are planned for Parcel 4A and additional townhome lots may be developed upon neighboring real property hereinafter annexed to the Community.

Section 2. The Units. Each unit or lot shall include that part of the Property that lies within the boundaries of such lot as shown on the Plat, together with the appurtenant rights and easements in the common elements.

Section 3. Addition of Other Property. Additional real property may be submitted to this Declaration, made a part of WILLITS TOWNHOMES and be added to the Community. The real property which may be added to the Community is specifically identified below. The owners of units within any property added to the Community shall become members of the WILLITS TOWNHOMES ASSOCIATION, the same as if such units were originally a part of the Community. The addition of such property and inclusion within the Community shall be accomplished by recording in the office of the Clerk and Recorder of Eagle County, Colorado,



a Supplemental Declaration executed by the Declarant and any other party having an ownership interest in the property to be added. The Supplemental Declaration shall contain the legal description of such additional real property, declare the same an addition to WILLITS TOWNHOMES, and submit the property to this Declaration. Such Supplemental Declaration may contain and establish such additional provisions as are consistent with the intended development of such additional real property. The common elements established by this Declaration and the Plat, and any common elements established by the Supplemental Declaration and the plat of any additional real property shall be merged for the common benefit of all units which form a part of the Community.

ARTICLE VI - THE ASSOCIATION

Section 1. The Name. The name of the Association is WILLITS TOWNHOMES ASSOCIATION.

Section 2. Membership. Every owner shall be entitled and required to be a member of the Association. An owner shall be entitled to one (1) membership for each unit owned. Each such membership shall be appurtenant to and inseparable from the unit upon which it is based, and shall be transferred automatically by the transfer (in whatsoever form) of that unit. Ownership of a unit shall be the sole qualification for membership. No person or entity other than an owner may be a member of the Association.

Section 3. Voting. Each unit shall be entitled to one (1) vote. Owners of more than one (1) unit shall have the right to cast the aggregate number of votes that the units which they own represent. If any unit is owned by multiple parties, all such parties shall be members; provided, however, that the vote to which such unit is entitled shall be exercised as the several owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any one (1) unit. Cumulative voting shall not be permitted.

Section 4. Exercise of Powers. The Association may exercise any right or privilege given it expressly by this Declaration, by the Act or otherwise by law, and every other right, privilege, and power reasonably to be implied from this Declaration or reasonably necessary to effectuate its function and purposes.

Section 5. Assessments. The Association shall have the right to levy and make assessments for common expenses, in accordance with its By-Laws, for the following purposes:

- (a) To promote the recreation, health, safety, and welfare of the owners and the residents of the property;
- (b) To pay that part of the monthly user fees assessed by the Mid Valley Metropolitan District, for the raw water irrigation of the irrigated portions of the rights-of-way for Evans Road, Willow Road, Lake Avenue, for that part of East Valley Road



south of Lewis Lane, and for Linear Park Parcels 8B, 8C, and 8D, allocable to the Property or to any additional real property hereafter annexed to the Community;

- (c) To pay the costs and expenses of maintaining the units and common elements as set forth in this Declaration;
- (d) To pay the premiums for all insurance which the Association is required or permitted to maintain;
- (e) To pay taxes and special assessments levied against any property of the Association, whether real or personal;
- (f) To provide lawn, grounds, and landscaping care for the common elements, maintain and operate the raw water irrigation system for the benefit of the common elements, and to otherwise maintain the common elements;
- (g) To provide for the removal of snow from sidewalks, roadways, driveways, and parking lots which form a part of the common elements;
- (h) To pay all charges for lighting, utilities, irrigation water, trash removal and other services attributable to the common elements;
- (i) To pay wages for Association employees, Association management expenses, legal and accounting fees;
- (j) To pay any deficit remaining from any previous assessment period;
- (k) To create a reasonable contingency reserve, surplus and/or sinking fund; and
- (l) To pay any other expenses and liabilities which may be incurred by the Association for the benefit of the owners under or by reason of this Declaration, its Articles of Incorporation or By-Laws or as otherwise permitted by the Act.

Section 6. Equality of Assessment. Each unit shall bear an equal proportionate share of any assessment for common expenses.

Section 7. Payment of Assessments. Each owner shall pay to the Association, in accordance with its By-Laws, such assessments as may be periodically made by the Association. Until the Association makes an assessment for common expenses, the Declarant shall pay all common expenses.



Section 8. Periodic Assessments. After any assessment has been made by the Association, assessments shall thereafter be made no less frequently than annually, and shall be based on a budget adopted no less frequently than annually.

Section 9. Added Charges. The Association may impose charges for late payment of assessments, recover reasonable attorney's fees and other costs of collection and levy fines for violations of the Declaration, the By-Laws or the Rules and Regulations of the Association. All such charges shall be enforceable as assessments. Any past due common expense assessment or installment shall bear interest at the rate established by the Association, but not exceeding twenty-one percent (21%) per year.

Section 10. Collection of Assessments. The Association shall have the right to bring an action at law against the Owner personally obligated to pay any delinquent assessment or fines.

Section 11. Assessment Liens. The Association shall also have a statutory lien on any unit for any assessment levied against that unit or fines imposed against the unit owner. The amount of the lien shall include any fees, charges, late charges, attorney's fees, fines and interest. This Declaration constitutes record notice and perfection of the statutory lien. No further recordation of any claim of lien or assessments is required. The statutory lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within six (6) years after the full amount of the assessments become due. The Association's lien for assessments and enforcement rights in respect thereto shall be governed by the applicable provisions of the Act, as now in effect or hereafter amended.

Section 12. Budgets to be Approved by the Members. It shall be the duty of the Executive Board to formulate and propose a budget of expenses, not less frequently than annually. Within thirty (30) days after adoption of any proposed budget for the common interest community, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the unit owners (members) and shall set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all unit owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the unit owners must be continued until such time as the unit owners ratify a subsequent budget proposed by the Board.

ARTICLE VII - MAINTENANCE

Section 1. Association's Duties- Common Elements. The Association shall provide lawn, grounds, and landscaping care for the common elements, maintain and operate the raw water irrigation system for the benefit of the Community, and otherwise maintain and keep in good repair and condition all sidewalks, yards, grounds and greenbelt areas, all drives and all parking areas and facilities which form a part of the common elements. It shall provide for the removal



of snow from sidewalks, roadways, drives, and parking lots which form a part of the common elements.

Section 2. Association's Duties - The Units. The Association shall maintain and keep in good condition and repair the following improvements within or which form a part of the units:

- (a) The exterior surfaces of the buildings, including the roofs;
- (b) The common utility trunk lines located within the unit that also serve one or more other units;
- (c) Any enclosures, sheds, or general utility rooms housing heating plants or other facilities which serve more than one unit;
- (d) That part of any common security lighting system installed by Declarant in connection with the original construction of the buildings for the benefit of the Community, whether located on any lot or in the soffits or elsewhere on any building; and
- (e) The exterior of any fence bordering the common elements situate on the boundary of any lot.

The Association shall have and is hereby granted the right to modify alter, improve, or otherwise reconfigure any common security lighting system, or to install a different system, if deemed appropriate. The Association may assume other maintenance duties with respect to the buildings, courtyards, sidewalks, and grounds located within the boundaries of the lots on a non-discriminatory basis, but shall have no obligation to do so.

Section 3. Owner's Duties. Each owner shall maintain and keep in good condition and repair the interior of his unit, all plumbing, sewers, drains, pipes, electrical wiring, and heating, cooling, and ventilation facilities and systems located within his unit, except common trunk lines and other common facilities which shall be the obligation of the Association. All shutters, awnings, window boxes, door steps, entry ways, stoops, porches, balconies and patios, and all exterior doors and windows, frames, glass and stairs used or allocated solely to a particular unit, shall be maintained by the owner of that unit. Each owner shall be responsible for and keep and maintain in good repair all sewer lines and water lines from his unit to the point of connection with the common trunk lines.

Section 4. Materials. Insofar as the party walls, the utility services and facilities, the exterior portions of the buildings and any fences are concerned, the Association shall have the sole discretion in determining the kind and type of materials to be used in all maintenance and repair work performed, whether the work be performed by the Association or an owner.

Section 5. Landscaping and Lawn Care. Any landscaping in addition to that provided by the Declarant in connection with the initial construction of the buildings shall be at the discretion of the Association and subject to the approval of the Design Review Board. Each owner shall provide lawn care within his lot and the areas, if any, designated as limited common elements appurtenant to his unit, unless the Association elects to assume such duties on a non-discriminatory basis. The Association shall provide lawn care with respect to the common elements. For purposes of this Section, in addition to mowing the grass, the term lawn care includes trimming, maintaining and caring for trees, plants, shrubs, flowers and other ornamental landscaping.

Section 6. Determination of Obligation. The responsibility for the performance of any maintenance, repair, lawn care, snow removal or other work not expressly delineated above shall be determined by the Association. In the event any dispute should arise as to the construction or interpretation of the foregoing sections, the determination with regard thereto made by the Association shall be conclusive.

Section 7. Miscellaneous. Notwithstanding anything herein contained to the contrary, any maintenance or repair required by reason of the willful or negligent act of the owner, members of his family or guests, or tenants, shall be the sole responsibility and obligation of such owner. The Association shall have the right to make such maintenance or repairs and recover such costs from the owner responsible.

Section 8. Supervision. The Association shall have the right to prescribe minimum standards with regard to an owner's performance of any maintenance for which the owner is responsible. The owner shall comply with all guidelines and requirements prescribed by the Association in this connection, and in furtherance hereof, the Association shall have the right to require any owner at any time to forthwith correct any repair or any maintenance deficiency then existing.

ARTICLE VIII- ARCHITECTURAL CONTROL - DESIGN REVIEW BOARD

An Architectural Review Committee, known as the Sopris Meadows Multi-Family Residential Design Review Board (the "Design Review Board"), consisting of three (3) members, is established under the provisions of the Master Covenants identified in Article 1, Section 6 above. Architectural and design controls set forth in the Master Covenants apply and shall govern the development of the Property.

ARTICLE IX - DECLARANT'S RESERVED DEVELOPMENT RIGHTS

Section 1. Rights Reserved. The Declarant hereby reserves the following development rights:



- (a) To construct and complete the number of units shown on the Plat in any sequence and order that the Declarant shall determine, together with the common elements;
- (b) To reconfigure the units, with the approval of the Town of Basalt and construct and complete the units as reconfigured, together with the common elements, provided that the Declarant shall have no right to reconfigure a unit the Declarant does not own;
- (c) To phase the construction of the buildings, units and common elements;
- (d) To use so much of the common elements as it may deem necessary or convenient for the purpose of the construction and development of the buildings, and other improvements on the Property; provided, however, that such use shall not unreasonably interfere with an owner's access to his unit.
- (e) To prepare, execute and record an Amendment or Amendments to this Declaration, assigning or reassigning identifying numbers to each unit created and describing the common elements and any limited common elements thereby changed or created, and in the case of limited common elements, designating the unit or units to which such limited common elements are allocated, and to prepare, execute and record therewith, a supplemental or amended plat depicting and addressing the matters required by the Act or deemed proper by the Declarant in connection with any such amendment;
- (f) To assign or reassign parking spaces within the common elements, without discriminating among the units created;
- (g) To exercise the "Special Declarant Rights" defined in the Act, including the rights to construct and complete the improvements, to exercise any development right, including those expressly reserved in this Declaration; to maintain sales offices, management offices, signs advertising the Community and models; to use easements through the common elements for the purpose of making improvements within the Community; to make the Community subject to a Master Association; to merge or consolidate the Community with a common interest community of the same form of ownership, to appoint and remove any officer of the Association or any Executive Board member during the period of Declarant controls herein set forth;
- (h) To exercise those development rights extended with respect to the Property by virtue of the Amended Annexation Agreement; and
- (i) To annex any or all of the following identified additional properties, or some part thereof, to wit: Parcels 4B, 4C and 4D, as shown on the Final Plat of Sopris



Meadows Planned Unit Development; provided that each such parcel may be annexed only in its entirety, and the maximum number of additional units that Declarant reserves the right to create in connection with any such parcel so annexed, is as follows: Parcel 4B: 29 units; Parcel 4C: 9 units; and Parcel 4D: 37 units. The maximum number of units that will compose the Community if each and every parcel is annexed, will be 122 units.

Section 2. Time Limit. The development rights reserved to the Declarant must be exercised within thirty (30) years from the date of this Declaration, except with respect to those development rights addressed in the Amended Annexation Agreement, which must be exercised within the time periods prescribed thereby.

Section 3. Exercise of Development Rights. Any development right may be exercised with respect to different parcels of real estate or different portions of the Property, at different times and in such sequence as the Declarant may determine. No assurances are made as to which portions of the Property may be subjected to the exercise of each development right, or in which order each development right may be exercised or applied to any portion of the Property. If any development right is exercised in any portion of the Property, or in respect to a parcel to be annexed, that development right need not be exercised in all or any portion of the remainder of the Property or parcel annexed, if any. Declarant may, but has no obligation to add or annex all or any of the parcels described above.

Section 4. Development Rights/Allocated Interests. Regardless of the manner or nature in which the development rights are exercised, and whether or not additional parcels are annexed, the common elements shall always be allocated equally among the total number of units within the Community, the voting rights shall be allocated equally among the units (each unit allocated one vote) and all common expenses shall be assessed equally.

Section 5. Boundaries. The boundaries of the units and the identification of the common elements are not restricted or regulated other than by the building envelopes shown on the Plat, which Declarant reserves the right to change with the approval of the Town of Basalt, provided that the Declarant shall have no right to alter the boundaries of any unit which the Declarant does not own.

Section 6. Promotional Activity of the Declarant. The Declarant may maintain a sales office or management office within any of the units located within the Property or any of the parcels that might be annexed. Any unit to which the Declarant retains ownership, may be used as a model for promotional purposes. The Declarant reserves the right to maintain signs on the common elements, so long as the Declarant owns any unit held for sale within the Community.

Section 7. Release or Transfer. Declarant may release or transfer any or all the Declarant's rights reserved under this Article or elsewhere in this Declaration, but only by instrument acknowledged in the manner of a deed and recorded in the records of the Clerk and Recorder of Eagle County, Colorado.

640492 11/25/1997 04:42P B744 P546
18 of 27 R 136.00 D 0.00 Sara J Fisher, Eagle,

ARTICLE X - DECLARANT'S RIGHTS TO CONTROL THE ASSOCIATION AND LIMITATIONS

Section 1. This Article Controls. Notwithstanding anything contained in the By-Laws to the contrary, the provisions of this Article shall control all inconsistent and conflicting provisions.

Section 2. Period of Declarant Control. The Executive Board, and all members thereof, shall be appointees and subject to removal, at any time and from time to time by the Declarant, in its sole and absolute discretion, until sixty (60) days after conveyance of seventy-five percent (75%) of the units to owners other than the Declarant; or two (2) years after the last conveyance of a unit by the Declarant in the ordinary course of business, whichever is sooner.

Section 3. Limitation of Appointment Powers. Notwithstanding the provisions of Section 2 above, Declarant's control shall be subject to the following limitations:

- (a) Within sixty (60) days after conveyance of twenty-five percent (25%) of the units to owners other than Declarant, at least one (1) member, and not less than twenty-five percent (25%) of the members of the Board, shall be elected by unit owners other than the Declarant. The Association shall call a special meeting, at which members other than the Declarant shall elect one (1) member of the Board. The board member so elected shall not be subject to removal by the Declarant acting alone, and if such director is removed or resigns, his successor shall be elected by the members other than the Declarant.
- (b) The Executive Board shall be increased to five (5) members in the sole discretion of Declarant, after the time that members other than the Declarant own fifty percent (50%) of the units within the development, or whenever Declarant earlier so determines. Thereafter, but in no event later than sixty (60) days after members other than the Declarant own fifty percent (50%) or more of the units, the Association shall call a special meeting at which time the members other than the Declarant shall elect two (2) members of the Board, which, likewise, shall not be subject to removal or replacement by the Declarant.
- (c) Not later than the termination of the period of Declarant control set forth in Section 1 above, the unit owners, including the Declarant (to the extent the Declarant retains ownership of units within the development), shall elect a new Executive Board of at least three (3) members, the majority of whom must be unit owners other than the Declarant, or designated representatives of unit owners other than the Declarant. The Board shall elect officers from among its members and take office upon elections.

Section 4. Voluntary Surrender. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant control set forth above. In that event, the Declarant may require that, for the

640492 11/25/1997 04:42P B744 P546
19 of 27 R 136.00 D 0.00 Sara J Fisher, Eagle, CO

of Declarant control set forth above. In that event, the Declarant may require that, for the duration of the period of Declarant control, specified actions of the Association or Executive Board as described in a recorded instrument executed by the Declarant, be approved by the Declarant before becoming effective.

Section 5. Association's Records. Within sixty (60) days after termination of Declarant's control and the election of a new Executive Board by the members, the Declarant shall deliver to the Association all records and property of the Association held or controlled by the Declarant as prescribed by the Colorado Common Interest Ownership Act.

ARTICLE XI - USE RESTRICTIONS

Section 1. No Re-subdivision. No further subdivision of any unit shall be permitted.

Section 2. Leases. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation, By-Laws and duly promulgated Rules and Regulations of the Association, and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. No owner shall be permitted to lease a dwelling unit for transient or hotel purposes; nor shall any owner lease only a room or rooms which consist of less than the entire dwelling unit. Other than as provided in this Section, there is no restriction on the right of any owner to lease his property.

Section 3. Master Covenants. The Master Covenants, identified in Article I, Section 6 above, set forth use restrictions which apply to the Property and all Parcels approved for multi-family development written in the Sopris Meadows Planned Unit Development, and further govern the use of the Property.

ARTICLE XII - WATER AMENITIES

Section 1. Notice. Notice is hereby given that the Property is located near the Roaring Fork River. A lake and certain irrigation ditches exist on or near the property. There are inherent hazards and risks associated with these amenities.

Section 2. No Liability. Neither the Declarant, the Association, the Town of Basalt, the Mid Valley Metropolitan District, nor any rightful owner or user of the irrigation ditches or waters that exist on or near the Property shall have any liability to any owner, tenant or occupant of the Property in respect to bodily injury, death or property damages caused by, arising out of, or in connection with such amenities or otherwise related to such amenities or the use thereof.

Section 3. Prohibitions. No owner, tenant, guest, invitee or family member of an owner or tenant, nor any other person claiming any interest in a unit or occupying or using any unit or dwelling unit shall: (a) take water from, disturb or otherwise interfere with the operation of any such ditch or the use of any ditch by the rightful owners and users thereof; (b) use any ditch or the lake for swimming, tubing, boating or similar recreational activities; (c) trespass on such irrigation ditches or embankments; (d) block, obstruct or interfere with the flow at any irrigation

ditch; (e) install, construct or place any planks, boards or bridges on or across any irrigation ditches or ditch embankments; or (f) claim damages or otherwise seek to hold the Declarant, the Association, the Town of Basalt or Mid Valley Metropolitan District or any ditch company or rightful owner or user of the irrigation waters and ditches, responsible or liable for any damages whatsoever, to persons or property, for bodily injury, death or property damage, in any way connected with, caused by, arising out of or related to the irrigation ditches, the lake or the river, or the use of those amenities for any purpose, or as a result of any flooding of the irrigation ditches or river, or by reason of the proximity of the Property or any particular unit to such amenities, whether or not foreseeable.

Section 4. Release. The mere acquisition or rental of any unit or improvements within the Property, or the mere act of occupancy of the same or any portion thereof, shall signify that the provisions of this Article are accepted and ratified, and that the parties mentioned are released and absolved from any and all responsibility or liability in respect to said amenities to the full extent permitted by law. Should any claim be asserted or suit brought in violation of this Section, the party or parties against which the claim is made or suit brought, shall be entitled to recover all costs and expenses incurred in connection therewith, including reasonable attorney's fees.

ARTICLE XIII - ALLOCATED INTERESTS

Section 1. Allocations. The undivided interest in the common elements shall be allocated among all the units created within the Property equally. Voting rights shall also be allocated equally among the units, as elsewhere provided in this Declaration. Likewise, all common expenses shall be assessed equally.

Section 2. Adjustments. The allocated interests shall be adjusted as units are created or if units are added as a result of combining the Property with other common interest community properties. In each and every case, the fraction or percentage of undivided interest in the common elements, the liability for the common expenses of the Association and the voting rights in the Association, shall be allocated among the units which comprise the Community on an equal basis.

ARTICLE XIV - INSURANCE

Section 1. Association to Maintain Insurance. Commencing not later than the time of the first conveyance of a unit to a person other than the Declarant, the Association shall maintain, to the extent reasonably available, the kinds and types of insurance specified in this Article.

Section 2. Property Insurance. Property insurance on the common elements and on the townhomes themselves for broad form covered causes of loss. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, as the buildings on the Property, including, but not limited to vandalism and malicious mischief. The amount of insurance must be not less than the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land,



excavations, foundations and other items normally excluded from property policies; provided that the casualty protection on the buildings and improvements maintained by the Association shall insure the improvement only to the interior bare walls as initially constructed and installed by the Declarant. It shall be the responsibility of each owner to insure the finish of the interior walls and all cabinets, furnishings, fixtures, appliances, personal property, and other contents of his unit. The named insured shall be the Association, individually, and as agent for the owners and their mortgagees, without naming them. Provisions shall be made for the issuance for mortgagee endorsements and memoranda of insurance to the mortgagees of the owners. Such insurance policy shall provide that payments by the insurer for losses shall be made to the Association or to an insurance trustee in the State of Colorado designated by the Association for that purpose. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of a unit owner because of negligent acts of the Association or other unit owners. The scope of coverage must include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location, and use.

Section 3. Liability Coverage. Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the common elements as deemed sufficient in the judgment of the Executive Board, but in no event less than \$1,000,000 per occurrence and \$2,000,000 aggregate, insuring the Executive Board, the Association, the management agent, if any, and their respective employees, agents, and all persons acting as agents. The Declarant shall be included as an additional insured in Declarant's capacity as a unit owner and board member. The Town of Basalt shall also be included as an additional insured. The owners (unit owners) shall be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the common elements. The insurance shall cover claims of one (1) or more insured parties against other insured parties.

The maintenance of such insurance by the Association and the acceptance of such coverage by the Town of Basalt, does not waive or purport to waive the provisions of the Colorado Governmental Immunity Act as applicable to the Town of Basalt.

Section 4. Non-Availability. If the insurance described in Sections 2 and 3 of this Article is not reasonably available, or if any policy of such insurance is canceled or not renewed, without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered, or sent prepaid, U.S. mail, to all unit owners.

Section 5. Additional Coverage Required. Pursuant to the Act, the Property Insurance acquired pursuant to Section 2 above, and the Commercial General Liability Insurance required pursuant to Section 3 above, must provide that:

- (a) Each owner is an insured person under the policy with respect to liability arising out of such unit owner's interest in the common elements or membership in the Association;

- (b) The insurer waives its rights to subrogation under the policy against any unit owner or member of his household;
- (c) No act or omission by any unit owner, unless acting within the scope of such unit owner's authority on behalf of the Association, will void the policy or be condition to recovery under the policy; and
- (d) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 6. Adjustment of Property Loss. Any loss covered by the Property Insurance described in Section 2 above, must be adjusted with the Association, but shall be held, administered and applied in the manner provided by the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-313(5) - (9).

Section 7. Association to Adopt Procedures. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent unit owners causing such loss or benefiting from such repair or restoration, all deductibles paid by the Association. In the event that more than one (1) unit is damaged by a loss, the Association, in its reasonable discretion, may assess each unit owner a pro rata share of any deductible paid by the Association.

Section 8. Owner's Insurance. An insurance policy issued to the Association does not obviate the need for unit owners to obtain insurance for their own benefit.

Section 9. Officers and Directors. The Association shall keep and maintain Officers and Directors errors and omissions and personal liability coverage, with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, to protect the officers and directors from personal liability in relation to or arising out of their duties on behalf of the Association.

Section 10. Fidelity Bonds and Insurance. The Association shall require all Executive Board members, officers, employees and managers of the Association handling or responsible for Association funds, furnish adequate fidelity bonds or insurance to protect against dishonest acts. Fidelity insurance coverage shall not be less than the aggregate amount of two (2) months current assessments for the entire Property, plus reserves as calculated from the current budget of the Association, or \$50,000, whichever is greater. The Association may carry fidelity insurance at a greater amount.

Section 11. Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 12. Managing Agent Insurance. The manager or managing agent, if any, shall be insured to the same extent as the Association, as herein provided, and as provided in the Act, for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

Section 13. Other Insurance. The Association may also obtain insurance coverage against any such other risks of a similar or dissimilar nature, as deemed appropriate.

Section 14. Insurance Expense. The cost of all insurance which the Association is required or permitted to maintain, shall be assessed to the unit owners as a common expense.

ARTICLE XV - ASSESSMENT CERTIFICATES AND NOTICES

Section 1. Assessment Certificates. Upon request, the Association shall provide any owner, prospective purchaser, mortgagee or prospective mortgagee, of any unit in the Community a certificate in writing signed by an officer of the Association setting forth the amount of any assessments, interest or late charges due in connection with any specified unit. A reasonable charge may be made by the Association for the issuance of such certificates.

Section 2. Notice of Assessment Liens. Upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, the Association shall furnish to a unit owner or his designee, or to a holder of Security Interest, mortgage or deed of trust, or its designees a written statement setting forth the amount of unpaid assessments currently levied against such owner's unit. This statement shall be furnished within fourteen (14) days after receipt of the request, and is binding on the Association, the Executive Board and every unit owner. If no statement is furnished to the unit owner or holder of the Security Interest, mortgage or deed of trust, or to his designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the unit for unpaid assessments which were due as of the date of the request.

ARTICLE XVI - GENERAL PROVISIONS

Section 1. Notices to Owners. Notice to an owner of matters effecting the Community by the Association or by another owner, shall be sufficiently given if such notice is in writing and is delivered personally, by courier or private service delivery, or by deposit in the U.S. mail, postage prepaid, addressed to such owner at the registered mailing address furnished by the owner to the Association in accordance with the By-Laws. Such mailing shall be deemed adequate, whether mailed ordinary mail, certified mail or registered mail.

Section 2. Recording Data. The recording data for all recorded licenses of pertinent or included in the Community, is set forth in Exhibit "A," attached. In addition, the Community will be subject to the easements and licenses granted or reserved pursuant to this Declaration and the plat.

Section 3. Easement Rights. The Declarant has an easement through the common elements as may be reasonably necessary for the purpose of discharging a Declarant's obligations or exercising special Declarant rights, whether arising under this Declaration or the Act.

Section 4. Covenants to Run with the Land. This Declaration shall run with the land and be a burden and a benefit to the units within the Community.

Section 5. Termination of Declaration. This Declaration shall not be terminated except upon the written agreement of owners representing not less than eighty percent (80%) of the units located within The Community, and must be evidenced by a Termination Agreement or ratifications thereof, in the same manner as a deed, by the requisite number of unit owners. The Termination Agreement must specify a date after which the agreement will be void unless it is recorded before that date. The Termination Agreement and all ratifications thereof must be recorded in Eagle County, Colorado, and shall be effective only upon recordation. Notwithstanding the provisions hereof, this Declaration shall not be terminated without the prior written consent of the Town of Basalt.

Section 6. Enforcement. The failure of any owner to comply with the provisions of this Declaration or with the Articles of Incorporation, By-Laws or the duly promulgated Rules and Regulations of the Association, shall give rise to a cause of action in the Association, as well as any aggrieved unit owner for the recovery of damages or injunctive relief, or both. The failure of the Association or any owner to enforce any such rights, shall in no event be deemed a waiver of the right to do so in the future. The Town of Basalt is recognized as a third-party beneficiary with respect to the use restrictions described in Article XI, and may enforce the same in its own right.

Section 7. Amendments. This Declaration may be amended only by the vote or agreement of unit owners representing at least sixty-seven percent (67%) of the units within the Community and by the recordation of a certified copy of the Resolution of Amendment, signed and acknowledged by the President and Secretary of the Association, recorded in the records of the Clerk and Recorder of Eagle County, Colorado. Notwithstanding the provisions hereof, this Declaration shall not be amended without the prior written consent of the Town of Basalt.

Section 8. Duration. This Declaration shall continue in effect until revoked or terminated in the manner provided above.

Section 9. Severability. If any clause or provision of this Declaration is determined to be illegal, invalid or unenforceable under present or future laws, all other terms and provisions hereof shall nevertheless remain in full force and effect.



640492 11/25/1997 04:42P B744 P546

25 of 27 R 136.00 D 0.00 Sara J Fisher, Eagle, CO

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions has been executed this 20th day of NOVEMBER, 1997.

DECLARANT:

THE WILLITS GROUP, LLC,
a Colorado limited liability company

By: Cindy Wilson
Cindy Wilson, Manager

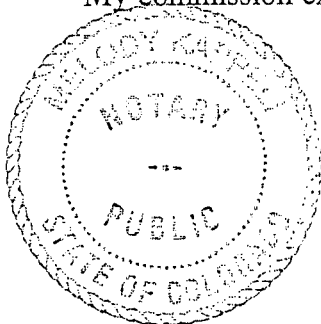
By: Karen Mata
Karen Mata, Manager

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 20th day of NOVEMBER, 1997, by CINDY WILSON and KAREN MATA, as Managers of The Willits Group LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: April 15, 2000



Melody Kappeler
Notary Public

640492 11/25/1997 04:42P B744 P546
26 of 27 R 136.00 D 0.00 Sara J Fisher, Eagle, CO

Exhibit "A"

WILLITS TOWNHOMES
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
Basalt, Colorado

EASEMENTS AND LICENSES - RECORDING DATA

The Property: Parcel 4A, Sopris Meadows Planned Unit Development

The Property is subject to the following easements and rights of way:

1. Right of the proprietor of a vein or lode to extract and remove his ore therefrom, should be same be found to penetrate or intersect the premises, and right of way for ditches or canals constructed by the authority of the United States as reserved in United States patent recorded April 29, 1893, in Book 48, at Page 233.
2. Easement and right of way for an electric transmission or distribution line or system, as granted to Holy Cross Electric Association, Inc. in instrument recorded December 28, 1992, in Book 597, at Page 547.
3. Easements and rights of way shown on the Final Plat of Sopris Meadows Planned Unit Development, as recorded in Book 699, at Page 897.
4. Easements and rights of way shown on the Final Plat of Sopris Meadows Two, Filing No. 1, recorded in Book 723, at Page 122.
5. Easements and rights of way established this Declaration or shown on the Final Plat of Willits Townhomes, Filing No. 1.
6. Easements and rights of way for irrigation ditches in place.

All references to Book and Page are to the records of Clerk and Recorder of Eagle County, Colorado.



640492 11/25/1997 04:42P B744 P546

27 of 27 R 136.00 D 0.00 Sara J Fisher, Eagle, CO