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SUMMIT COUNTY RECORDER

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
PINE CREEK TOWNHOMES
IN
BRECKENRIDGE, SUMMIT COUNTY, COLORADO

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to
Declaration
of
Covenants, Conditions and Restrictions
of
Pine Creek Townhomes

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
PINE CREEK TOWNHOMES

THIS Declaration is made this 27th day of January, 1993, by Edward Knowles and Janet Knowles (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the Owner of certain property in the County of Summit, State of Colorado, which is more particularly described as:

Lot 10A, Four Seasons Subdivision, Filing No.
1, Town of Breckenridge, County of Summit,
State of Colorado,

hereinafter referred to as the Property; and

WHEREAS, Declarant desires to establish a planned community townhome project with up to 15 townhomes and to subject the project and the Property to certain covenants, conditions, and restrictions;

WHEREAS, Declarant has caused to be incorporated under the laws of the State of Colorado, Pine Creek Townhomes Association, Inc., a nonprofit corporation, for the purposes of exercising the functions as herein set forth.

NOW, THEREFORE, Declarant hereby submits the Property to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.33-101, et seq., Colorado Revised Statutes, as it may be further amended from time to time (the "Act"); in the event the Act is repealed, the Act, on the effective date of the Declaration, shall remain applicable; and

Further, Declarant hereby declares that the Property described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title, or interest in said real property, or any part thereof, and their heirs, successors, and assigns, and shall inure for the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

Section 1.1 "Association" shall mean and refer to Pine Creek Townhome Association, Inc., a Colorado nonprofit corporation, its successors and assigns.

Section 1.2 "Board of Directors" or "Board" shall mean and refer to the duly elected and qualified members of the Board of Directors of the Association acting in an official capacity.

Section 1.3 "Building" shall mean and refer to all structures containing one or more Units now or hereafter constructed on the Property.

Section 1.4 "Common Area" shall mean both the General Common Area and Limited Common Areas as herein defined.

Section 1.5 "Declarant" shall mean and refer to Edward Knowles and Janet Knowles, their successors and assigns.

Section 1.6 "General Common Area" shall mean all real property and any improvements thereon or thereto owned by the Association for the common use and enjoyment of the Owners. The General Common Area owned by the Association at the time of the recording of this Declaration includes those areas identified as such on the plat for Pine Creek Townhomes recorded at approximately the same time as this Declaration is recorded, and shall include any portion of the Property designated as General Common Area on any amendments to the plat, or Supplemental Plats, for Pine Creek Townhomes, any and all real and personal property owned or controlled by the Association for the common use and benefit of both or all of the Owners and the townhome project, together with all improvements thereon, if any, and all driveways and parking areas not designated as Limited Common Areas. Every Owner, and the successors and assigns thereof, shall be deemed to have consented to the use and control of said General Common Area by the Association for the benefit and enjoyment of all Owners in accordance with the provisions of this Declaration, the Articles of Incorporation, the Bylaws and any rules and regulations of the Association.

Section 1.7 "Improvements" shall mean and refer to all improvements now or hereafter constructed on the Property, not including Units or Buildings, but including, without limitation, decks, walkways, exterior stairways, parking areas, driveways, signage, exterior lighting, exterior storage facilities and other related improvements.

Section 1.8 "Limited Common Area" shall mean the real property and any improvements thereon or thereto owned by the Association for the exclusive use of the Owner of a particular Unit or for the common use of the Owners of more than one but fewer than all of the Units. The Limited Common Area owned by the Association at the time of the recording of this Declaration includes those

areas identified as such on the plat for Pine Creek Townhomes recorded at approximately the same time as this Declaration is recorded, and shall include any portion of the Property designated as Limited Common Area on any amendments to the plat for Pine Creek Townhomes.

Section 1.9 "Mortgage" shall mean and include all mortgages or deeds of trust which represent a first security interest on or in one or more Units, but shall not include mortgages or deeds of trust junior to a first mortgage or first deed of trust or involuntary liens, such as mechanic's liens and judgments.

Section 1.10 "Mortgagee" shall mean and include the holder of any mortgage representing a first security interest in one or more Units or the beneficiary of any deed of trust representing a first security interest in one or more Units, but shall not include the holders of mortgages or beneficiaries of deeds of trust junior to a first mortgage or deed of trust or any claimant of an involuntary lien, such as a mechanic's lien or judgment lien.

Section 1.11 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. The term "Owner" shall also include the Declarant, or its successors and assigns, with respect to all Units held in the name of Declarant.

Section 1.12 "Project" means all of the property and improvements, including Units, submitted to this Declaration.

Section 1.13 "Property" shall mean and refer to not only Lot 10A described above, but also to such additions thereto as may hereafter be subjected to this Declaration and brought within the jurisdiction of the Association.

Section 1.14 "Unit" shall mean and refer to any individual residence constructed on the Property.

Section 1.15 "Future Development" shall mean those portions of the Property reserved for additional Units as described in Article XI. In the event that amended or supplemental plats for the Property, deleting all "Future Development" designations, have not been recorded by January 1, 2012, all portions of the Property identified as "Future Development" on the then most recent plat recorded shall, on January 1, 2012, become General Common Area.

ARTICLE II PROPERTY RIGHTS

Section 2.1 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the General Common Area which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the General Common Area;

(b) the right of the Association to suspend the voting rights and right to use of any recreational facilities by an Owner for any period during which any assessment against his Unit remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the General Common Area to any governmental entity or public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by two-thirds of the Owners. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3rds) of the Owners has been recorded.

(d) The right of the Association to borrow money for the purpose of improving the General Common Areas, and in aid thereof to mortgage said General Common Areas, and to take such steps as may be reasonably necessary to protect the General Common Areas from foreclosure; no such action shall be effective unless an instrument agreeing to such action signed by two-thirds (2/3rds) of the Owners has been recorded; and

(e) The right of the Association to close or limit the use of the General Common Areas while maintaining, improving, or making replacements therein or thereto.

Section 2.2 Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his rights of enjoyment to the General Common Area and facilities to the members of his family, his invitees, his tenants, or contract purchasers of his Unit.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Every Owner of a Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Unit which is subject to assessment.

Section 3.2 The Association shall have one class of voting membership. Members shall be all Owners and shall be entitled to one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members, provided, however, that there shall be no more than one vote cast, with no fractional votes, for or with respect to any Unit and such vote shall be cast as the persons owning any Unit shall determine.

ARTICLE IV
COVENANTS FOR ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation for Assessments.

(a) The Declarant, for each Unit owned within the Property, hereby covenants and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) supplementary assessments, and (3) special assessments, such assessments to be established and collected as hereinafter provided.

(b) All annual, supplementary and special assessments, together with interest, at the highest lawful rate as provided by the Act, as may be further amended from time to time, late charges, costs, and reasonable attorney's fees:

(1) General Lien. shall be a charge on the land and shall be a continuing lien in favor of the Association against the Unit against which each such assessment is made. The Association's lien resulting from this paragraph shall be prior to any other lien or claim against a Unit, except for a lien for ad valorem taxes, mortgages (as defined in section 1.9 of this Declaration), liens and encumbrances recorded before the recordation of this Declaration and except as otherwise provided in this Declaration. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person, or entity, who was the Owner of such Unit at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them; and

(2) Super-Priority Lien. shall be a charge on the land and shall be a continuing lien in favor of the Association against the Unit against which each such assessment is made to the extent provided by the Act, C.R.S. § 38-33.3-316) (2) (b), as may be further amended from time to time. The Association's lien resulting from this paragraph shall be prior to any other lien or claim against a Unit, except for a lien for ad valorem taxes, liens and encumbrances recorded before the recordation of this Declaration and except as otherwise provided in this Declaration. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person, or entity, who was the Owner of such Unit at the time when the assessment fell due. The personal obligation for

delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 4.2 Purpose of Assessments. The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement, maintenance and repair of the Common Area and the Buildings and other improvements situated upon the Property.

Section 4.3 Annual Assessments.

(a) Annual assessments shall be made for the purposes of providing funds for the normal operations of the Association including, but not limited to, maintenance and repair of the exterior of the Buildings, salaries, costs of operating the Association, insurance premiums for blanket casualty insurance for the Buildings and other insurance coverage provided for in Article VI, management fees, office costs, and adequate reserve funds for maintenance, repairs, replacements of the exterior of Buildings and those portions of the Common Areas that must be replaced on a periodic basis, improvements to the Common Areas, amounts necessary to pay deficits or debts incurred by the Association, water and sewer rents and trash collection fees, real estate taxes and betterment or other special assessments, if any, and funds for any other purpose or purposes of the Association provided for herein. The total amount of money required to be raised by annual assessments for each fiscal year shall be the amount, as determined by the Board, necessary to satisfy the costs and expenses of fulfilling such functions and obligations of the Association in such fiscal year, including the payment of reserves, and providing a reasonable carry-over reserve for subsequent fiscal years. To determine the amount required to be raised by annual assessments for any fiscal year, the Board shall prepare an annual budget for such fiscal year showing, in reasonable detail, the various matters proposed to be covered by the budget, the estimated income and other funds which will be available in that fiscal year, and the estimated total amount of money required to be raised by annual assessments to cover such costs and expenses and to provide a reasonable reserve. The Board of Directors shall furnish a summary of such budget to the Unit Owners and shall set a date for a meeting of the Unit Owners to consider the ratification of such budget as required by the Act, as may be further amended from time to time. Upon request, the Board will furnish a summary of the most recently adopted budget to any Mortgagee. Based on such budget, the Board of Directors shall determine the amount of the annual assessment per Unit for such fiscal period.

(b) If the Board shall fail to establish an annual assessment for any year, the annual assessment for such year shall remain the same as for the year immediately preceding; except that, upon approval by majority vote of the entire

membership of the Association, such annual assessment may be increased or decreased for the remainder of the assessment year as of the first day of the month following such vote.

(c) Annual assessments shall apply only to Units now or hereafter subjected to this Declaration and included within the jurisdiction of the Association.

(d) Annual assessments shall be payable in twelve equal monthly installments during each fiscal year.

Section 4.4 Supplementary Assessments. In the event that the Board shall determine, at any time or from time to time, that the amount of the annual assessments is not adequate to pay for the costs and expenses of fulfilling the Association's obligations hereunder, one or more supplementary assessments may be made for the purpose of providing the additional funds required. To determine the amount required to be raised by each supplementary assessment, the Board shall revise the annual budget for such fiscal year as provided in Article IV, Section 4.3, or prepare a new budget, a summary of which shall be furnished to each Owner and shall set a date for a meeting of the Unit Owners to consider the ratification of such budget as required by the Act, as may be further amended from time to time. Upon request, the board will deliver a summary of the revised or new budget to any Mortgagee. Based on such revised or new budget, the Board may make a supplementary assessment for such fiscal year against each Unit.

Section 4.5 Special Assessments. A special assessment for purposes of large or unexpected expenditures that are capital in nature shall be made only upon resolution of the Association's Board of Directors. The Board will deliver to all Unit Owners, by first class mail or otherwise, a summary of the special assessment and shall set a date for a meeting of the Unit Owners for purposes of ratification of the special assessment as required by the Act, as may be further amended from time to time.

Section 4.6 Assessment Reserves. Each Owner, other than Declarant, shall be required to deposit and maintain continuously with the Association an amount equal to up to three (3) times the amount of the monthly installments of the annual assessment, such reserve amount to be held without interest accruing to the Unit Owner. This sum shall be used by the Association as a reserve for payment of each Owner's assessments and for working capital of the Association. The advance payment shall not relieve an Owner from making the regular payments of the annual assessments, or any portion thereof, as same become due, nor shall the Association be required to deduct from such advance payment sums due for annual assessments by an Owner prior to instituting any proceedings against the Owner for delinquent assessments. In the event the Association shall, pursuant to the purposes of this Paragraph, draw delinquent assessments from the reserve created by such advance payment applicable to an Owner, the Owner expressly agrees, following ten (10) days prior written notice from the Association,

to repay such amounts to the Association in order to properly maintain the reserve account, and such amount to be repaid shall have the same status as an annual, supplementary or special assessment for purposes of Article IV of this Declaration. Upon the sale of a Unit, an Owner shall be entitled to a credit from his grantee for the remaining balance of such reserve account applicable to the Owner's Unit.

Section 4.7 Uniform Rate of Assessment. Annual, supplementary and special assessments for each Unit shall be determined based on the ratio of living area square footage of each Unit to the total living area square footage of all Units. Garages, decks, exterior walkways and patios areas are specifically excluded from this calculation. No assessment shall be attributed to a Unit until a Certificate of Occupancy has been issued for that Unit by the Town of Breckenridge.

Section 4.8 Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Units on the first day of the month following the issuance of a Certificate of Occupancy for each such Unit. Written notice of assessments shall be sent to every Owner.

Section 4.9 Certificate of Status of Assessment. The Association shall, upon written demand by a Unit Owner or such Unit Owner's designee or to the holder of a mortgage or its designee, delivered personally or by certified mail, first class postage prepaid, return receipt, to the association's registered agent and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the amount of unpaid assessments currently levied against the Owner's Unit. The statement shall be furnished as provided in the Act, which may be further amended from time to time. A properly executed certificate of the Association as to the status of assessments on a Unit is binding upon the Association as of the date of its issuance.

Section 4.10 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment or installment not paid within fifteen (15) days after the due date shall bear interest from the due date at the highest rate allowed by the Act, as may be further amended from time to time. In addition, the Board may establish by resolution a reasonable delinquent or late charge for any assessment not paid when due. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the Association's lien against the Unit, or both. 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. In addition to any other remedies herein or by law provided, the lien herein established may be foreclosed by an action in the court having jurisdiction over the Property in the manner of foreclosure of common law mortgages, pursuant to the law and statutes of the State of Colorado, and subject to all the rights and duties therein provided, including redemption. In any civil action to enforce or recover unpaid assessments, the

prevailing party shall be entitled to an award of reasonable attorneys' fees and all costs of collection or foreclosure.

Section 4.11 Subordination of the Lien Mortgages. Except as provided in Section 4.1(b)(2), the lien for assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a Mortgage of record and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not. Sale or transfer of any Unit shall not affect the lien for said assessments, except that sale or transfer of any Unit pursuant to foreclosure of any such Mortgage or any such executory land sales contract, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of assessment charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of any such executory land sales contract shall relieve the Unit from liability for any assessment charges thereafter becoming due, nor from the lien thereof. Nothing herein shall be deemed to release any Owner from his personal obligation to pay any assessment.

Section 4.12 Homestead. The lien of the Association for unpaid assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to any lot subject to this Declaration shall constitute a waiver of the homestead exemption as against said assessment lien.

Section 4.13 Recording of Liens. The board shall immediately record a lien against all Units owned by an Owner who fails to pay an assessment installment within sixty (60) days of becoming due.

Section 4.14 Notice to Unit Owners. Notice by the Board and other Unit Owners of matters affecting the Pine Creek Townhomes development shall be via first class mail or personal delivery to the Unit Owners and the Association.

ARTICLE V GENERAL RESPONSIBILITIES AND RESTRICTIONS

Section 5.1 Common Areas. The Association is herewith charged with the direct and continuing responsibility for maintenance, repair, replacement, operation, protection, extension and improvement of the General Common Areas and Limited Common Areas and facilities. The obligations of the Association as set forth herein shall include, but shall not be limited to, all maintenance,

including snow removal, of the private driveway serving the Property.

Section 5.2 Exterior Maintenance.

(a) In addition to maintenance of the General Common Areas and Limited Common Areas, the Association shall provide exterior maintenance of each Unit which is subject to assessment hereunder, including, but not limited to the following: paint, repair, replacement, maintenance and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, porches, decks, steps, driveways and other exterior improvements. Association exterior maintenance responsibility shall not include cleaning or replacement of glass surfaces or snow removal from or cleaning of walks, porches, decks or steps designated as Limited Common Areas. These areas excluded from maintenance responsibility by the Association shall be the responsibility of each Unit Owner.

(b) In the event that the need for maintenance or repair of a Unit and improvements thereon or any Common or Limited Common Area is caused through the willful or negligent acts of the family, tenants or invitees of an Owner, the cost of such maintenance or repair shall be added to and become part of the assessment for the Unit owned by said Owner.

Section 5.3 Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of any of the Units subject to this Declaration and is located or placed on the dividing line between the Units 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 or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners of the Units on either side of such party wall.

(c) Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, either Owner of the Units on either side of the wall may restore it, and the Owner of the Unit on the other side of the wall shall contribute one-half of the cost of restoration thereof, 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.

(d) Right to Contribution Runs with Land. The right of any Owner to contributions from any other Owner under this

Article shall be appurtenant to the land and shall pass to each such Owner's successors in title.

Section 5.4 Architectural Control.

(a) General Rules. Owners may, upon receipt of written approval of the Board of Directors, make modifications or additions to the exterior of their Unit if the modifications or additions are minor and are in harmony with the external design of the development and have no negative impact on other Unit Owners or Units in the development or on the association. No building, fence, wall, or other structure or improvement shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition, change, decoration or alteration therein or thereto be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors, which approval may be withheld for any reason that is not arbitrary, capricious, or discriminatory.

(b) Limited Common Elements. Limited common elements shall not be modified, lessened, changed or added to without the consent and approval of one hundred percent (100%) of the Unit Owners.

Section 5.5 Declarant's Use. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant, its successors and assigns, or any agent, contractor, subcontractor or employee of the Declarant, to maintain during the period of construction and sale upon such portion of the Property as Declarant deems necessary, facilities incidental to said construction and sale, including, but without limitation, a business or sales office or storage area constructed or converted for a use other than a single family dwelling. All uses undertaken shall be wholly compatible with the structure of the residential building, the site, the surroundings, and the topography of the land, as well as the legitimate and proper uses of the Property.

Section 5.6 Use Restrictions.

(a) No residence or residential building site shall be used, and no Unit shall be hereafter constructed or converted for a use other than a single family dwelling. All uses undertaken shall be wholly compatible with the structure of the residential building, the site, the surroundings, and the topography of the land, as well as the legitimate and proper uses of the Property.

(b) No planting or gardening shall be done, and no fences, hedges, walls, or other improvements or structures shall be erected or maintained in or upon the Common Areas

except such as are installed in accordance with the initial construction of the building located thereon or as approved by the Association's Board of Directors. The foregoing notwithstanding, landscaping, planting flowers and vegetable gardens is permitted by a Unit Owner inside the property boundary and/or the Limited Common Areas of that Unit Owner. Except for the right of ingress and egress, the Owners are hereby prohibited and restricted from using any of the property outside the exterior boundary lines of their respective Units and associated Limited Common Area, except as may be allowed by the Association's Board of Directors and this Declaration. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners and is necessary for their protection.

(c) Maintenance, upkeep and repairs of any Unit or other improvements on or to each Unit except as to certain exterior maintenance more fully described in Section 5.2 of this Article, shall be the sole responsibility of the Owner thereof and not of the Association. However, the Board may, in its discretion, undertake and make assessments for any cooperative action appropriate to the property maintenance, utilization, beautification or upkeep of said Units and improvements. In the event an Owner of any Unit shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon said Unit and to repair, maintain, and restore the Unit and the exterior of the Unit and any other improvements erected thereon. The cost of such maintenance shall be added to and become part of the assessment to which such Unit is subject.

(d) All utilities, fixture and equipment installed within any Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the exterior walls of the building, shall be maintained and kept in repair by the Owner thereof. An Owner shall not do any act or work that will impair any easement or hereditament, nor perform any act nor allow any condition to exist which will adversely affect the other Units or the Owners thereof.

(e) By way of enumeration, and not limitation, the use of all the Property and Units located thereon shall be subject to the following restrictions and limitations:

(i) No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property, nor upon any structure situated thereon without prior written approval and authorization by the Board of Directors;

(ii) Refuse piles or other unsightly objects or materials shall not be allowed to be placed or to remain upon the Property. The Association shall have the right to remove such refusal piles or other unsightly objects or materials at the expense of the Owner responsible therefor, and such entry shall not be deemed a trespass provided three (3) days prior notice has been given to the Owner and the Owner failed to remove same during said three (3) day period;

(iii) No free-standing mailbox or newspaper box, or other similar device, shall be erected unless approved by the Board of Directors;

(iv) Trash, garbage or other waste shall be disposed of in a sanitary manner, pursuant to rules and regulations adopted by the Association. In the event there is no common trash dumpster or removal of trash provided for the Units, each Unit Owner shall be responsible for removal of trash generated within that Owner's Unit and shall be required to independently contract for and have trash removed. All trash containers must be kept indoors at all times except on trash pickup day. All containers must have lids securely in place when outside.

(v) No tanks of any kind, either elevated or buried shall be erected, placed or permitted upon the Property;

(vi) No outdoor clotheslines shall be attached to any Unit or permitted or maintained on the Property;

(vii) All wood piles, storage piles, equipment, furniture, tools, and other personal property shall be kept and maintained in neat condition and in such a manner so that, to the extent possible, the same are concealed from view from any other Unit;

(viii) No house trailer, motor home, recreational vehicle, boat, trailer, snowmobile, motorcycle, commercial vehicle, tent, shack, detached garage, barn, or outbuilding of any kind shall be permitted to be placed on the Property; and

(ix) No junk car, inoperative car or car under repair shall be parked, stored or maintained on the Property for more than fifteen (15) days.

(f) The Board of Directors is authorized to adopt rules and regulations relating to the parking of vehicles on the Common Areas or any other easements for parking or access, which rules and regulations may include the designation of parking spaces for the exclusive use of the Owner or occupants of each Unit. Such rules shall assure the utilization of the

General Common Areas for parking by all Owners and occupants of the Units in a fair and equitable manner. The guest parking spaces are restricted for temporary parking of guests. No storage of vehicles, no parking for over two (2) weeks, no parking of recreational vehicles, trailers, motor homes, or commercial vehicles (other than those present in conjunction with work performed on the Property) is permitted in the guest spaces.

(g) Owners, but not guests or tenants, may keep no more than two (2) domesticated pets (either two dogs, two cats or one dog and one cat). All pets must be kept indoors and must be kept on a leash whenever outdoors. No kennels or commercial pet operations are permitted. No pets may be left outdoors without being supervised by a person who is also outdoors and in line of sight with such pet. Fish and birds are permitted, but must not be noisy or obnoxious. If an Owner fails to clean up after a pet or if an Owner allows a pet to run free, or if a pet is noisy or obnoxious, the Board can order removal of such pet or pets on a permanent basis.

Section 5.7 Easements.

(a) Each Unit and the Common Areas shall be subject to all easements and rights of way as shown on the Plat filed January 3, 1991 under Reception No. 398193 of the Summit County, Colorado records of a Resubdivision of Lot 10A, Four Seasons, Filing 1, Town of Breckenridge, County of Summit, State of Colorado, or the plat for Lot 10A recorded at approximately the same time as this Declaration is recorded; easements and encroachments created by construction, including those for overhangs, roofs, patios and fences; easements for utility and utility services as designed or constructed by the Declarant; easements for maintenance of all improvements and utility services; and easement for access by the Association to effect the purposes set forth in these Declarations, including, but not limited to, the promotion of the health, safety, and welfare of the residents of the Property.

(b) The Declarant shall have an easement over the Common Areas for the purpose of completing the full and final development and improvement of the Property.

(c) Subject to other provisions of this Declaration, each Owner, his tenants, family and guests shall have the exclusive right to use and enjoy those Limited Common Areas as are immediately adjacent to and contiguous with his Unit as are designated herein or on the plat for the Property recorded at approximately the same time as this Declaration is recorded, or on any subsequently recorded supplemental or amended plats for the Property, or in the initial deed from Declarant as appurtenant to the Unit owned by such Owner.

(d) The Association, the Board of Directors, and their agents shall have a non-exclusive right and easement to make such use of and to enter into or upon the General Common Areas, the Limited Common Areas, and the Units as may be necessary or appropriate for the performance of the duties and functions which they are obligated or permitted to perform under this Declaration and under the Act.

(e) Some of the General Common Areas are or may be located within a Unit or may be conveniently accessible only through a particular Unit. The Association, Board and their agents and each Owner shall have an easement, which may be exercised for any Owner by the Association, the Board, or their agents, as his agent, for access through each Unit and to all General Common Areas, from time to time, during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the General Common Areas located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the General Common Areas or to another Unit, or for making repairs or replacements pursuant to this Declaration. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the General Common Areas, or as a result of emergency repairs within another Unit, at the instance of the Association, the Board, or their agents, shall be a Common Expense of all of the Owners. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance, or order of any governmental authority. Restoration of the damaged improvements shall be substantially the same as the condition in which they existed prior to the damage. Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the costs and expenses of repairing such damage.

(f) The easements, uses and rights herein created for an Owner shall be appurtenant to the Unit of that Owner and all conveyances of and other instruments affecting title to a Unit shall be deemed to grant and reserve the easements, uses and rights as are provided for herein, even though no specific reference to such easements, uses and rights appears in any such conveyance.

Section 5.8 Enforcement of Covenants. The Association and/or any Owner are herewith vested with authority by Declarant and is assigned the rights of Declarant to enforce, to the same extent as Declarant might, any and all covenants running with the Property, or with other property in which Declarant, its successors or assigns, has an interest or right of enforcement, including, but not limited to, all covenants contained herein, or in other protective covenants recorded against the Property, if any;

provided that the authority and rights herein granted and assigned shall not preclude Declarant from proceeding to enforce any or all of said covenants, whether or not the Association is acting in that regard. The Declarant's right of enforcement shall not be greater than that of the Association or any Owner and shall cease when the Declarant no longer owns any portion of the Property. In any civil action to enforce a covenant created herein, the prevailing party shall be entitled to an award of reasonable attorney's fees.

ARTICLE VI
INSURANCE AND INDEMNIFICATION

Section 6.1 Insurance. All insurance, other than title insurance, carried in connection with the Units, Property, Common Areas or improvement thereon or thereto shall be governed by the provisions of this Article VI.

Section 6.2 Insurance Requirements Generally.

(a) The Association shall obtain and maintain in full force and effect at all times certain casualty, liability, and other insurance as hereinafter provided. All such insurance shall be obtained, to the extent possible, from responsible companies duly authorized and licensed to do business in the State of Colorado.

(b) To the extent possible, the casualty, property, and liability insurance shall: (i) provide for a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees, agents, and members; (ii) provide that the insurance cannot be canceled, invalidated or suspended on account of the conduct of the Association, its officers, directors, employees, and agents; and (iii) provide that the policy of insurance shall not be terminated, canceled or substantially modified without at least thirty (30) days prior written notice to the Association; and provide as required by section 313 of the Act, as may be amended from time to time.

(c) Any insurance policy may contain such deductible provisions as the Association deems consistent with good business practice and which shall be consistent with the requirements of the holders of any first mortgage or deeds of trust. Any loss falling within the deductible portion of a policy shall be borne by the Association. The cost and expense of all insurance obtained by the Association shall be paid out of Association funds collected by assessments and otherwise as elsewhere provided in this Declaration.

Section 6.3 Casualty Insurance.

(a) The Association or its agents shall obtain and maintain at all times insurance coverage providing all risk coverage or the nearest equivalent available for the full

replacement cost of the Units and any personal property of the Association. The insurance shall be carried in blanket policy form naming the Association as the insured, shall provide a standard non-contributory mortgage clause in favor of each holder of a first mortgage or deed of trust, and shall provide that it cannot be canceled by either the insured or the insurance company until after at least thirty (30) days' prior written notice is given to each Owner and each Mortgagee. The Association shall furnish a certified copy of such blanket policy and the certificate identifying the interests of an Owner and Mortgagee to any party in interest upon request. All policies of insurance shall provide that the insurance covering the interest of a particular Owner shall be invalidated or suspended only if such Owner is guilty of a breach of warranty, act, omission, negligence, or nonpayment of the insurance premium applicable to his interest, or if he permits or fails to prevent the happening of any event, either before or after a loss which under the provisions of such policy would 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.

(b) The insurance described in this paragraph shall be inflation coverage insurance, if such insurance is available, which insurance at all times represents one hundred percent (100%) of the replacement value of the Units except land, foundation, excavation, and other items normally excluded. The Association shall, at least every three (3) years, 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 replacement value of the Units on the Property.

Section 6.4 Public Liability and Property Damage Insurance. The Association shall obtain and maintain comprehensive general liability insurance including non-owned and hired automobile liability coverage, owned automobile liability coverage (if there are any owned automobiles), personal injury liability coverage covering liabilities of the Association, its officers, directors, employees, agents, and members arising in connection with Ownership, operation, maintenance, occupancy, or use of the Units and any other area the Association is required to restore, repair, or maintain pursuant to this Declaration with bodily injury liability limits not less than One Million Dollars (\$1,000,000.00) for each occurrence and property damage liability limits of not less than One Million Dollars (\$1,000,000.00) aggregate. Each policy shall include a "severability of interest" endorsement.

Section 6.5 Insurance by Owners. Each Owner shall be responsible for obtaining property, hazard, and liability insurance for all of the Owner's personal property and furnishings (except

the parts thereof, if any, the Association is required to insure pursuant to this Article), and, except as provided by this Article, the Association shall not be responsible for providing any such insurance. Nothing herein shall be construed as requiring any Owner to obtain any insurance whatsoever as to his own Unit or personal property.

Section 6.6 Fidelity Insurance. The Association may maintain adequate fidelity coverage, if available, to protect against dishonest acts on the part of the Directors, Officers, Trustees, and employees of the Association and all others who handle, or are responsible for handling, funds of the Association. Such fidelity bonds shall (i) name the Association as obligee, (ii) be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves, (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation, and from and definition of "employee" or similar expression, and (iv) provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premiums) without at least fifteen (15) days written notice to the Association.

Section 6.7 -Notice Upon Loss. In the event that there shall be any damage or destruction to, or loss to a Unit which exceeds Ten Thousand Dollars (\$10,000.00), then notice of such damage or loss shall be given by the Association to the holder of the first mortgage or deed of trust on said Unit within ten (10) days after the later of the occurrence of such event or receipt of notice by the Association from an Owner of such event.

Section 6.8 Other Insurance. The Association may obtain such additional insurance coverage against such additional risks as it shall determine to be appropriate.

Section 6.9 Indemnification.

(a) Indemnification. The Association shall indemnify each Director, officer, property manager, their respective successors, personal representatives and heirs, against all losses, costs and expenses, including attorney's fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of their position with or employment by the Association, except as to matters as to which such person(s) shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, officer or property manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer or property

manager is entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense, provided, however, that nothing in this Section 6.9 contained hereto shall be deemed to obligate the Association to indemnify any member or Owner who is or has been a Director, officer or property manager of the Association with respect to any duties or obligations assumed or liabilities incurred by him as a member or Owner under and by virtue of this Declaration.

(b) No independent contractor, including a Director, officer, member or Owner providing services to the Association as an independent contractor, shall be protected by this indemnification provision, any indemnification provision provided for in the Bylaws of the Association or any insurance policy obtained by the Association in relating to any such indemnification provision.

ARTICLE VII
DAMAGE AND DESTRUCTION OF Units

Section 7.1 Association as Attorney-In-Fact.

(a) This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Property upon its total or partial destruction.

(b) Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or from any subsequent Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association, in their names, place, and stead for the purpose of dealing with the Property upon the total or partial destruction of the Units as hereinafter provided. As attorney-in-fact, the Association, by its officers, shall have full and complete authorization, right and power to make, execute, and deliver any contract, deed or any other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the power herein granted. Repair and reconstruction of the Unit(s) means restoring the Units to substantially the same condition in which it existed prior to the damage, with each Unit having substantially the same vertical and horizontal boundaries as before. Except as otherwise herein provided, the proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, or replacements unless the Owners and all Mortgagees agree not to rebuild in accordance with the provisions set forth herein.

(c) Assessments by the Association for those purposes stated herein shall not be abated during the period of insurance adjustment and repair and reconstruction.

Section 7.2 Reconstruction. In the event of damage or destruction to any Unit, the insurance proceeds, if sufficient to reconstruct the Unit(s) shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the Unit(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power, as attorney-in-fact, to cause the repair and restoration of the Unit(s).

Section 7.3 Deficiency of Insurance. If the insurance proceeds are insufficient to repair and reconstruct the Unit(s), such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made by the Association against each of the Units which have been damaged or destroyed, and their Owners. Such deficiency assessments shall be a Common Expense and made pro rata according to the number of Units which have sustained damage or destruction, and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the Units using all of the insurance proceeds and such assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Unit and be enforced and collected as is provided in Article IV.

Section 7.4 Extended Destruction. In the event that insurance proceeds are insufficient to repair the Unit(s), and if such damage is more than sixty-six and two thirds percent (66 2/3%) of the total replacement cost of all the Units constructed on the Properties, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, as provided in Section 7.3 hereof, except that the Owners representing an aggregate Ownership interest of seventy-five percent (75%) or more of the Units and all of the holders of Mortgages of record may agree not to repair or reconstruct the Unit(s). In such an event, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the Property and all remaining improvements thereon shall be sold by the Association pursuant to the provisions of this paragraph as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the plat of Pine Creek Townhomes, the Articles of Incorporation, and Bylaws. Assessments shall not be abated during the period prior to sale. The insurance settlement proceeds shall be collected by the Association, such proceeds shall be divided by the Association equally, and such divided proceeds shall be paid into separate accounts, each such account representing one of the Units. Each such account shall be in the name of the Association, and shall be further identified in the name of the Association, and shall be further identified by Unit designation and the name of the

Owner. From each separate account, the Association, as attorney-in-fact shall use and disburse the total amount of each such account without contribution from the account to another toward the partial or full payment of the lien of any Mortgage encumbering the Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire property. Such apportionment shall be used and disbursed, without contribution, from one account to another by the Association, as attorney-in-fact, in the following order:

(a) for payment of the balance of the lien of any first mortgage or deed of trust;

(b) for payment of taxes and special assessment liens in favor of any assessing entity;

(c) for payment of unpaid Assessments;

(d) for payment of junior mortgages, deeds of trust and other encumbrances in the order of and to the extent of their priority; and

(e) the balance remaining, if any, shall be paid to Unit Owner.

ARTICLE VIII CONDEMNATION

Section 8.1 Consequences of Condemnation. If at any time or times pursuant to this Declaration, all or any part of the Property shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu or in avoidance of such condemnation, the provisions of this Article shall apply.

Section 8.2 Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award", shall be payable to the Association.

Section 8.3 Complete Taking.

(a) In the event that the entire Project is taken or condemned, or sold, or otherwise disposed of in lieu of or in avoidance of a condemnation, Ownership pursuant to this Declaration shall terminate. The condemnation award shall be apportioned equally among the Owners, provided that if a standard different from the value of the Property as a whole is employed to measure the condemnation award in the negotiation, judicial decree, or otherwise, the same standard shall be employed to the extent it is relevant and applicable, in determining the share of each individual Unit Owner.

(b) The Association shall disburse any condemnation award as soon as practicable in the same manner provided for

the distribution of sales proceeds in Article VII, Section 7.4.

Section 8.4 Partial Taking. In the event that less than the entire Project is taken or condemned, or sold, or otherwise disposed of in lieu of or in avoidance thereof, Ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the condemnation award to be determined as herein provided. As soon as practicable, the Association shall, reasonably and in good faith, allocate the condemnation award between compensation, damages, or other proceeds, and shall apportion the amounts so allocated to taking of or injury as follows: (i) the respective amount allocated to the taking or injury to a particular Unit shall be apportioned to that particular Unit, (ii) the total amount allocated as severance damages shall be apportioned to those Units which were not taken or condemned, (iii) the amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable. Disbursement of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

Section 8.5 Reorganization. In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association, and such Owner's interest shall thereupon terminate, and the Association, as attorney-in-fact for such Owner, may take whatever action is necessary and execute such documents as are necessary to reflect such termination. Thereafter, the Association shall reallocate the Ownership, voting rights, and assessment ration determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and such reallocation for amendment of this Declaration as provided in Article XI.

ARTICLE IX SPECIAL CONSIDERATIONS

Section 9.1 Two-Thirds Vote. Unless at least two-thirds (2/3rds) of the Owners (other than the Declarant) of the Units (based upon one vote for each Unit) on the Property have given their prior written approval, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the General Common Areas owned, directly or indirectly, by the Association for the benefit of the Units, provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of such General Common Areas shall not be deemed a transfer within the meaning of this clause;

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against a Unit or an Owner;

(c) by act, or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Units, the exterior maintenance of Units, the maintenance of the Common Areas;

(d) fail to maintain fire and extended coverage on insurable Common Areas, the Units and other property of the Association on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement costs;

(e) use hazard insurance proceeds for losses to any Common Areas, Units or other property for other than the repair, replacement or reconstruction of such property.

Section 9.2 Majority Vote. In all other respects, the affirmative vote of a majority of the membership represented at a meeting of the Association and entitled to vote on the subject matter shall be the act of the Association unless another number is specifically designated as the required affirmative vote by the specific provision of this Declaration under consideration.

ARTICLE X RIGHTS OF MORTGAGEES

Section 10.1 Payment of Taxes. Mortgagees of Units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Areas and the first mortgagees making such payment shall be owed immediate reimbursement therefor from the Association. Upon request, the Association shall execute an agreement with a Mortgagee of any Unit evidencing their entitlement to such reimbursement.

Section 10.2 Priority to Proceeds. Neither the Owner, or any other party shall have priority over any rights of the Mortgagee of a Unit in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of Common Areas.

Section 10.3 Notification of Default. A Mortgagee is entitled, upon request, to written notification of any default in the performance by an individual Owner of any obligation under this Declaration which is not cured within sixty (60) days.

ARTICLE XI
GENERAL PROVISIONS

Section 11.1 Enforcement. The Association, or any Owner, shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any provision, covenant, or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any civil action to enforce any provision, covenant, or restriction, the prevailing party shall be entitled to an award of reasonable attorney's fees.

Section 11.2 Severability. Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 11.3 Amendment. The covenants, conditions, restrictions and liens of the Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than two-thirds (2/3rds) of the Owners, and two-thirds (2/3rds) of the holders of Mortgages, or by Declarant or their successors as long as Declarant or any successors owns any portion of Lot 10A, or any Units on any of Lot 10A, provided that the requirement for Declarant or its successors to sign an instrument amending the Declaration shall terminate at the time Declarant's right to expand Lot 10A, as provided in Section 11.4 hereof, terminates. Any amendment must be recorded.

Section 11.4 Expansion.

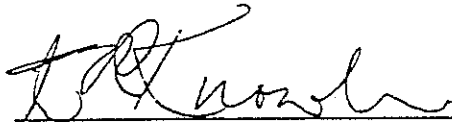
(a) The Declarant hereby reserves the right to expand the project by the creation of up to eleven (11) additional Units to be included within the Common Interest Community created pursuant to this Declaration, so long as such additional Units are created on or before January 1, 2012.

(b) The creation of additional Units, as provided for herein, shall occur upon that portion of the Property designated on the Plat of Pine Creek Townhomes as "Future Development", and shall be made and occur by and upon the filing for record one or more Supplemental Declarations and Supplemental Plats describing said additional Units, which recording shall extend the terms and provisions of this Declaration to such Units. In no event shall any such Supplemental Declaration or Supplemental Plat revise, modify, or amend the terms and provisions of this Declaration, except to add additional Units, additional General Common Area, and additional Limited

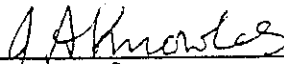
Common Area, and shall otherwise conform to all terms and provisions hereof.

Section 11.5 Assignability. Declarant's rights hereunder shall be freely assignable.

IN WITNESS WHEREOF, Declarants have caused their names to be hereunto signed and affixed this 28th day of January, 1993.

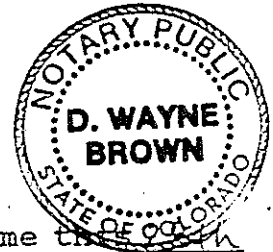


Edward Knowles



Janet Knowles

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)



The foregoing instrument was acknowledged before me this 28th day of JANUARY, 1993 by Edward Knowles and Janet Knowles. Witness my hand and official seal.

My commission expires: _____

My Commission Expires Nov. 19, 1994
P. O. Box 588
Breckenridge, Colorado 80424



Notary Public

Address

SECOND SUPPLEMENTAL DECLARATION AND AMENDMENT
OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
PINE CREEK TOWNHOMES IN BRECKENRIDGE,
SUMMIT COUNTY, COLORADO

This Second Supplemental Declaration is made this 28th day of April, 1995, by Edward R. Knowles and Janet A. Knowles (hereinafter referred to as "Declarants").

WHEREAS, Declarants caused the Plat of Pine Creek Townhomes and the Declaration of Covenants, Conditions and Restrictions of Pine Creek Townhomes in Breckenridge, Summit County, Colorado, to be recorded in the Office of the Summit County Clerk and Recorder, Summit County, Colorado, on January 28, 1993, at Reception Nos. 437168 and 437169 respectively; and

WHEREAS, Declarants caused the First Supplemental Plat of Pine Creek Townhomes and the Supplemental Declaration of Covenants, Conditions and Restrictions of Pine Creek Townhomes in Breckenridge, Summit County, Colorado, to be recorded in the office of the Summit County Clerk and Recorder, Summit County, Colorado, on April 19, 1994, at Reception No. 466293 and on April 25, 1994, at Reception No. 466697, respectively; and

WHEREAS, pursuant to the terms and provisions set forth in Section 11.4 of said Declaration, Declarants wish to expand the Project by the creation of four additional Units, as provided in said Declaration.

NOW, THEREFORE, the four additional Units described and shown as Units I, J, K and L, on the Second Supplemental Plat of Pine Creek Townhomes, recorded in the Office of the Summit County Clerk and Recorder, Summit County, Colorado, on the 1st day of May, 1995, at Reception No. 490263, are hereby subjected to the Declaration of Covenants, Conditions and Restrictions of Pine Creek Townhomes in Breckenridge, Summit County, Colorado, as recorded in the Office of the Summit County Clerk and Recorder on January 28, 1993, at Reception No. 437169; and

Annual, supplemental and special assessments for each Unit in Pine Creek Townhomes shall, after all Units referenced herein have received a Certificate of Occupancy, be allocated on the following basis:

Unit A	7.03528%
Unit B	7.03528%
Unit C	7.03528%
Unit D	7.03528%
Unit E	7.03528%

Unit F	7.03528%
Unit G	7.03528%
Unit H	7.03528%
Unit I	11.07574%
Unit J	10.78314%
Unit K	10.78314%
Unit L	11.07574%

In order to resolve any confusion regarding the permissibility, use, and maintenance of individually owned and operated exterior hot tubs, the following provision is hereby added to the Declaration of Covenants, Conditions and Restrictions of Pine Creek Townhomes in Breckenridge, Summit County, Colorado, as recorded on January 28, 1993, at Reception No. 437169, and such Declaration is hereby so amended:

Section 5.9. Outdoor Hot Tubs. Owners shall be allowed to construct or install outdoor hot tubs upon the rear exterior decks and on patios of their Units. In such event, the Owner of the Unit shall be responsible for and pay for all cost of installation, construction, operation, repair, replacement, and maintenance relating to the hot tub, including, but not limited to, repairs, maintenance, or replacements as may be required either below or above the hot tub, if such are the result of the installation, use, and maintenance thereof, and any and all such cost or expense shall be added to and become part of the assessment for the Unit owned by said Owner. Furthermore, the Association shall have the right to establish and enforce reasonable rules and regulations concerning the use and operations of exterior hot tubs, including hours of operation, restrictions on noise, and other appropriate matters, all as allowed by the provisions of the Act.

IN WITNESS WHEREOF, Declarants have caused their names to be herein to signed and affixed this 28th day of April, 1995.

Edward R. Knowles by D. Wayne Brown
his attorney in fact
 Edward R. Knowles by D. Wayne Brown, his attorney-in-fact

Janet A. Knowles by D. Wayne Brown
her attorney in fact
 Janet A. Knowles by D. Wayne Brown, her attorney-in-fact

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

Subscribed and sworn to before me this 28th day of April, 1995, by Edward R. Knowles by D. Wayne Brown, his attorney-in-fact.

Witness my hand and official seal.

My commission expires: 9-19-98



Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

Subscribed and sworn to before me this 28th day of April, 1995, by Janet A. Knowles by D. Wayne Brown, her attorney-in-fact.

Witness my hand and official seal.

My commission expires: 9-19-98



Notary Public

**SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
PINE CREEK TOWNHOMES IN BRECKENRIDGE,
SUMMIT COUNTY, COLORADO**

466608
DONIS L. BRILL

1994 APR 25 P 4:53
SUMMIT COUNTY RECORDER

This Supplemental Declaration is made this 25th day of April, 1994, by Edward Knowles and Janet Knowles (hereinafter referred to as "Declarants").

WHEREAS, Declarants caused the Plat of Pine Creek Townhomes and the Declaration of Covenants, Conditions and Restrictions of Pine Creek Townhomes in Breckenridge, Summit County, Colorado, to be recorded in the Office of the Summit County Clerk and Recorder, Summit County, Colorado, on January 28, 1993, at Reception Nos. 437168 and 437169 respectively; and

WHEREAS, pursuant to the terms and provisions set forth in Section 11.4 of said Declaration, Declarants wish to expand the Project by the creation of four additional Units, as provided in said Declaration.

NOW, THEREFORE, the four additional Units described and shown as Units E, F, G and H, on the First Supplemental Plat of Pine Creek Townhomes, recorded in the Office of the Summit County Clerk and Recorder, Summit County, Colorado, on the 19th day of April, 1994, at Reception No. 466293, are hereby subjected to the Declaration of Covenants, Conditions and Restrictions of Pine Creek Townhomes in Breckenridge, Summit County, Colorado, as recorded in the Office of the Summit County Clerk and Recorder on January 28, 1993, at Reception No. 437169; and

Annual, supplemental and special assessments for each Unit in Pine Creek Townhomes shall, after all Units referenced herein have received a Certificate of Occupancy, be allocated on the following basis:

Unit A	12.5%
Unit B	12.5%
Unit C	12.5%
Unit D	12.5%
Unit E	12.5%
Unit F	12.5%
Unit G	12.5%
Unit H	12.5%

IN WITNESS WHEREOF, Declarants have caused their names to be herein to signed and affixed this 25th day of April, 1994.

Edward Knowles by D. Wayne Brown
Edward Knowles by D. Wayne
Brown, his attorney-in-fact

Janet Knowles by D. Wayne Brown
Janet Knowles by D. Wayne
Brown, her attorney-in-fact

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

Subscribed and sworn to before me this 25th day of April,
1994, by Edward Knowles by D. Wayne Brown, his attorney-in-fact.

Witness my hand and official seal.

My commission expires: _____

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

Subscribed and sworn to before me this 25th day of April,
1994, by Janet Knowles by D. Wayne Brown, her attorney-in-fact.

Witness my hand and official seal.

My commission expires: _____

Notary Public

PINE CREEK TOWNHOMES
ASSESSMENT ALLOCATIONS

<u>Unit</u>	<u>Square Feet Living Area</u>	<u>Percentage of Assessment</u>
Unit A	1635	7.03528%
Unit B	1635	7.03528%
Unit C	1635	7.03528%
Unit D	1635	7.03528%
Unit E	1635	7.03528%
Unit F	1635	7.03528%
Unit G	1635	7.03528%
Unit H	1635	7.03528%
Unit I	2574	11.07574%
Unit J	2506	10.78314%
Unit K	2506	10.78314%
Unit L	2574	11.07574%

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to
Declaration
of
Covenants, Conditions and Restrictions
of
Pine Creek Townhomes

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