

DECLARATION OF PROTECTIVE COVENANTS FOR
WARRIOR'S RIDGE TOWNHOMES

This Declaration for Protective Covenants is made this _____ day of June, 1995 by Craig Beardsley (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property situated in the County of Summit and State of Colorado, as more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter called "Property", "Warrior's Ridge" or "Warrior's Ridge Townhomes"), and is desirous of subjecting said real property to the restrictions and covenants shall be burdens and benefits to the Property, Declarant, its respective heirs, successors, assigns and grantees and their successors, heirs, grantees and assigns,

WHEREAS, Declarant desires to protect and maintain Warrior's Ridge as a prime mountain residential area of the highest possible quality and value for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property,

WHEREAS, Declarant desires to provide for the operation and maintenance of public roadways and any General Common Areas, including any private roads or parking areas, common areas, and any other related facilities of Warrior's Ridge,

WHEREAS, Declarant hereby desires to create certain agencies to which should be delegated and assigned the powers and duties of maintaining and administering the common areas, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessment and charges hereafter created.

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

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. The words, when used in this Declaration or in any supplemental Declaration (unless inconsistent with the context hereof), shall have the following meaning:

A. **"Architectural Design Guidelines" or "Guidelines"** means the Warrior's Ridge Townhomes established by Declarant for use by the Design Review Board in exercising its architectural control responsibilities provided for in Article II hereof, which

Architectural Design Guidelines are subject to amendment by the Design Review Board in accordance with the terms hereof.

B. "Association" means the Warrior's Ridge Townhomes Homeowner's Association, Inc., a Colorado nonprofit membership corporation, its successors and assigns.

C. "Board of Managers" means the governing body of the Association, elected by the Owners, to perform the obligations of the Association relative to operation, maintenance and management of Warrior's Ridge Townhomes.

D. "Declarant" means Craig Beardsley, his successors and assigns. For the purpose of evidencing that Declarant's rights hereunder have been assigned and obligations assumed by any party, Declarant may record an assignment or deed in the records of Summit County, Colorado, and upon such recording Declarant's rights and obligations hereunder shall cease and terminate to the extent of the rights assigned and shall thereafter be vested in the assignee or grantee according to tenor of such assignment or deed.

E. "Declaration" shall mean and refer to this Declaration of Protective Covenants for Warrior's Ridge Townhomes.

F. "Design Review Board" or "Board" means the Warrior's Ridge Design Review board as provided in Article II hereof.

G. "General Common Area" means any real property, including any improvements thereon or which may be placed thereof, in Warrior's Mark, Summit County, Colorado to be owned or administered by the Association for their common use and enjoyment of the Owners on a non-exclusive basis, except as otherwise provided herein. the General Common Area shall include areas designated as open space or "open" upon the Plat.

H. "Limited Common Area" means those improvements attached to the real property or building specifically including decks which overhang the General Common Areas which are primarily for the access and use of single owners but are located in the General Common Areas.

I. "Lot" means any numbered or lettered lot shown on any recorded subdivision plat of the Property, but shall not include the General Common Areas.

J. "Owners" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, but shall not mean or refer to any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a mortgagee or beneficiary under a deed of trust, unless and until such person has acquired fee simple title pursuant to foreclosure or other proceedings.

K. "Plat" means the final plat of Warrior's Ridge and such amended, additional or supplemental plats or maps as may be filed for the Property.

L. "Property" means that certain real property more particularly described in Exhibit "A" attached hereto and such additions thereto as may hereafter be brought within the terms of this Declaration.

M. "Builder" means Rocky Mountain Construction Service, Inc., which has exclusive rights to build and erect all homes at Warrior's Ridge unless such exclusive right is waived by Rocky Mountain Construction Service, Inc., in writing.

N. "Unit" means any dwelling unit upon any Lot.

O. "Parking" The parking areas for Warrior's Ridge shall be those designated on the plat map. All parking spaces are considered to be part of the General Common Areas of Warrior's Ridge. All parking places are subject to the rules and regulations of the Declarant and the Association and may be individually assigned to particular Units of particular Owners in accordance to the rules and regulations of the Association. ✓

P. Whenever used in this Declaration, use of any gender or the neuter shall be applicable to all genders and the neuter. The use of the singular shall include the plural, and vice versa.

ARTICLE II ARCHITECTURAL CONTROL

Section 2.1 Approval Required. No building, house, outbuilding, shed, doghouse, tennis court, pool, hot tub, spa, porch, patio, excavation, landscaping, fence, wall, or any other structure of any kind shall be commenced, erected, placed or maintained upon any Lot within the Property, nor shall any exterior addition to or change or alteration therein be made until satisfactory and complete plans and specifications showing both the nature, kind, shape, height, color scheme, materials, and location of the same and all landscaping for the Lot shall have been submitted to and approved in writing both as to harmony of external design and location in relation to surrounding structures, topography and natural surroundings and as to compliance with the Architectural Design Guidelines by the Design Review Board appointed as provided in Section 2.2. Approval by the Board is in addition to and not in lieu of County or other building code requirements.

Section 2.2 Board. The Design Review Board shall consist of three members who shall be designated by Declarant, until such time as Declarant's Class B membership in the Association ceases as provided for in Section 3.2 below, at which time the members of the Design Review Board shall be appointed by the Board of Managers. The Board shall review, study and approve or reject proposed

improvements upon the Property subject both to these covenants and restrictions and to the Architectural Design Guidelines and as further set forth in the rules, regulations and bylaws of the Design Review Board.

Section 2.3 Rules and Guidelines. The Design Review Board may make such rules, regulations, and bylaws as it may deem appropriate to govern its proceedings. The Architectural Design Guidelines established by Declarant may be amended by the Design Review Board; provided, however, that any such amendment may be called up for review and approval by the Association at the request of any three owners and the effect of any such amendment is approved by the Association.

Section 2.4 Criteria. In passing upon such plans and specifications, the following shall apply to the review and shall be considered by the Design Review Board:

A. **Architectural Design Guidelines.** The plans and specifications shall be in strict compliance with the Architectural Design Guidelines in effect at the time of review by the Board.

B. **Generally.** It shall be an objective of the Design Review Board to make certain that no improvements will impair the aesthetic and monetary values of the Property. The Board shall consider the suitability of the improvements and the materials of which they are to be constructed; the quality of all materials to be utilized in any proposed improvement; the effect of any proposed improvement on adjacent or neighboring property; the location and character and method of utilization of all utility services; the impact of any proposed improvement upon the natural surroundings; and the timely and orderly completion of all such improvements.

Section 2.5 Utilities. All power, telephone and cable TV lines to a Unit shall be underground.

Section 2.6 Enforcement. Noncompliance with any provision of this Article II shall, without limiting any other remedy which the Design Review Board or any other person or entity may possess, be grounds for injunctive relief, each Owner or other person constructing improvements upon the Property hereby waiving the posting of a bond upon entry of such injunction. All attorney's fees and costs incurred by the Board or such other person or entity in a suit to enforce the terms of this Article shall, if the Board or such other person or entity prevails in such action, be recoverable from the losing party.

Section 2.7 Limitation of Liability. The Board shall use reasonable judgment in accepting or disapproving all plans and specifications submitted to it. Neither the Board nor any individual Board member shall be liable to any person for any omission or official act of the Board in connection with the submitted plans and specifications, except to the extent the Board or any individual Board member acted with malice or wrongful

intent. Approval by the Board does not necessarily assure approval by the appropriate governmental board of commission for the County of Summit, Colorado.

Notwithstanding that the Board has approved plans and specifications, neither the Board nor any of its members shall be responsible or liable to any Owner with respect to any loss, liability, claim or expense which may arise by reason of such approval. Neither the Board, nor any of its employees, agents, or consultants shall be responsible in any way for any defects in any plans or specifications submitted, reviewed or approved in accordance with the provisions hereof, or for any structural or other defects in any work done according to such plans and specifications.

Section 2.8 House Number. Each Unit shall have a house number with a design and location established by the Design Review Board.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.1 Membership. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 3.2 Classes of Membership. The Association shall have two classes of voting membership.

Class A: Class A members shall be all Owners, with the exception of the Declarant until the conversion of Declarant's Class B membership as set forth herein. Class A members shall be entitled to one vote for each Lot. When more than one person holds an ownership interest in any Lot, all such persons shall be members of the Association, provided, however, that the votes for any Lot shall be exercised by a representative of such persons designated in a written notice to the Board of Managers signed by all such persons or by persons demonstrating to the satisfaction of the Board of Managers that they own a majority interest in such Lot. The Association and Board of Managers shall be entitled to rely upon any such written notice until a new notice meeting the requirements of this paragraph is received as to such Lot. In no event shall more than one vote be cast with respect to any Lot.

Class B: The Class B member shall be the Declarant, and Declarant shall be entitled to 1.5 votes times the number of Lots owned by Declarant. The Class B membership shall cease and be converted to Class A membership (a) when the total votes outstanding in the Class A membership is equal to or greater than the total votes outstanding in the Class B membership, or (b) on July 1, 1997, or (c) by voluntary transfer by Declarant.

Section 3.3 Compliance with Association Articles, Bylaws, Etc. Each Owner shall abide by and benefit from each provision,

covenant, condition, and restriction contained in this Declaration, and the Articles of Incorporation and Bylaws of the Association, and by which each Owner agrees to be bound, or which is contained in any rule, regulation, or restriction promulgated pursuant to said Articles and Bylaws. The obligations, burdens, and benefits of membership in the Association touch and concern the land and shall be covenants running with each Owner's Lot or Unit for the benefit of all other Lots and Units.

ARTICLE IV
POWERS AND MANAGEMENT OF THE ASSOCIATION

Section 4.1 The Association. Subject to the rights and obligations of Owners as set forth in this Declaration, the Association shall be responsible for the management, control, maintenance, repair, replacement, and improvement of any common access drives which are not accepted for maintenance purposes by the County of Summit or other governmental authority, and any General Common Areas, including any recreation facilities, or other facilities, and other improvements constructed thereon, and shall keep the same free of diseased timber and in a good, clean, and attractive condition. Additionally, all utilities services and any other facilities shall be maintained by the Association up to the point of entry into the improvement. The Association shall also establish mandatory programs for the provision of services, including but not limited to snow removal from roads and common and private driveways, trash removal, common grounds maintenance, hot tub maintenance (if so installed in common area at Owners expense) and the like, and charge the Owners benefiting from such services for the costs thereof and reasonable overhead. The Association may establish replacement of any improvements to be maintained by the Association.

Section 4.2 Powers of the Association. The Association may acquire, own, lease, dispose of or hold for the benefit of its members tangible and intangible property, both real and personal, and the beneficial interest in any such property shall be deemed to be owned by the Owners in proportion to their voting rights in the Association. Such interests shall not be transferrable except with the transfer of a Lot, and any transfer of a Lot shall include all such interest without reference thereto. The Association may exercise any and all other rights or privileges given to it or to its Board of Managers by this Declaration, or by the Articles of Incorporation or Bylaws of the Association, or as may otherwise be given to it by law, and every other right or privilege reasonable to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Section 4.3 Board of Managers. Management of the Association shall be vested in a Board of Managers. The number, election and tenure of members of the Board of Managers shall be as set forth in the Articles of Incorporation and Bylaws of the Association.

Section 4.4 Powers. The Board of Managers shall have the power to:

A. Adopt and publish rules and regulations governing the use of any roads maintained by the Association and General Common Areas, and personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

B. Appoint members of the Design Review Board, except as provided in paragraphs 2.2 hereof;

C. Suspend the voting rights and use of General Common Areas of a member during any period in which such member shall be in default in payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

D. Administer, manage, repair, and maintain any roads to be maintained by the Association and any General Common Areas or Limited Common Areas, provided, however, that in the event the Board of Managers shall not repair or maintain said roads or General Common Areas or Limited Common Areas, the Declarant shall have the right, but not the obligation, to do so at the expense of the Association as long as Declarant owns twenty percent (20%) of the Lots within the Property.

E. Establish mandatory programs for trash removal, the clearing of snow from roads and common and private driveways, maintain common grounds or the provision of other common services and to charge the Owners benefiting from such services for the costs thereof plus reasonable overhead. Such charges shall be assessed and collected as assessments for common expenses under Article IX.

F. Exercise for the Association all powers, duties, and authority vested in or delegated to the Board of Managers or the Association and not reserved to the membership or the Declarant by other provisions of the Declaration, the Articles of Incorporation or the Bylaws of the Association.

ARTICLE V
DEDICATION OF THE GENERAL COMMON AREAS

The Declarant in recording any subdivision plat may designate certain areas of land intended for use by the Owners of Warrior's Ridge as private roads, parking areas, open space, trails, recreational areas and the like, herein sometimes referred to as General Common Areas. Additions to the General Common Areas may be made in the future. The designated areas are not dedicated hereby for the use by the general public, but are dedicated to the common use and enjoyment of the Owners as more fully provided in Article VI hereto, subject to the limitation set forth therein. Title to such General Common Areas shall be held by the Association for the

benefit of the Owners, without separate conveyance by the Declarant.

ARTICLE VI
RIGHTS IN THE GENERAL COMMON AREAS

Section 6.1 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to any General Common Areas which shall be appurtenant to and shall pass with the title to every Lot and Unit, subject to the following provisions:

A. The right of the Declarant or the Association at any time and from time to time to build recreational facilities on, over, under, and above any General Common Areas subject to approval by the County of Summit and any other regulating bodies.

B. The right of the Declarant or the Association to charge reasonable admission and other fees for, and set reasonable regulations upon, the use of any recreational facility situated upon any General Common Areas.

C. The right of the Declarant or the Association to suspend the voting rights and right to use of any General Common Areas or portions thereof and the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations except that such suspension shall not, in any manner, interfere with the rights of the Owner, his family members, his guests, licensees, invitees, and installment contract purchasers to free access for purposes of ingress and egress to and from his Lot.

D. The right of the Declarant or the Association to dedicate, transfer, assign, or grant permission to use all or any part of any General Common Areas by any governmental subdivision, public agency, authority, or public or private utility for such purposes and subject to such conditions as may be agreed to.

Section 6.2 Delegation of Use. Any Owner may delegate, but only in accordance with and subject to the limitations of the Bylaws of the Association and any rules and regulations promulgated in accordance herewith, his right of enjoyment to any General Common Areas and facilities to the members of his family, his tenants, guests, or contract purchasers who reside on the Property.

Section 6.3 Damage to General Common Areas. The right of use granted to Owners other than the Declarant herein shall not extend to uses which damage or disturb any General Common Areas or to the use of such areas for or during an Owner's construction of improvements upon his Lot. The Association may immediately, and without notice, cause any damage or disturbance to be repaired and recover the costs thereof from the Owner causing such damage or disturbance. If any such amount is not paid within ten (10) days of a demand for payment by the Association, such amount shall be

considered as an unpaid assessment by the Association against the Owner causing the damage or disturbance and may be recovered in any manner permitted under Article IX. Additionally, the Association may obtain injunctive relief to enjoin any such injurious use of any General Common Areas, each Owner or other person constructing improvements upon the Property hereby waiving the posting of a bond upon the entry of such injunction. All attorney's fees and costs incurred by the Association in a suit to enforce the terms of this Article shall, if the Association prevails in such action, be recoverable from the losing party.

Section 6.4 Declarant's Right to Use of General Common Areas.

The Declarant shall continue to hold title to the General Common Areas until the build out of the Property for a total of eight (8) Units is completed. The Declarant shall grant a temporary easement for access to all other Owners until such time as the General Common Areas' title is transferred to the Association. Nothing in this Covenant shall prevent the platting and sale of Lots in the present General Common Areas prior to July 1, 1997. Title of the General Common Areas, except those portions which become Lots for additional Units, shall be transferred to the Association not later than July 1, 1997. After July 1, 1997 the Declarant shall have a nonexclusive easement to make such use of the General Common Areas as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain in or on any General Common Areas maintenance and storage facilities for use by the Association or the Declarant. Declarant or the Association may construct and maintain on any General Common Areas recreational facilities for use by the members of the Association and, with the approval of the Board of Managers and County of Summit for use by other persons.

ARTICLE VII
EASEMENTS AND LICENSES

Section 7.1 Easements for Ingress and Egress. Declarant hereby grants as an appurtenance of each Lot an easement of General Common Areas and Limited Common Areas as shown on any subdivision plat for the Property of additions thereto. Only areas designated as roads or parking areas shall be used for vehicular ingress and egress.

Section 7.2 Reservation of Easements, Exceptions, and Exclusions. Declarant reserves of itself and also grants to the Association the right to establish from time to time by dedication or otherwise, utility and other easements across the General Common Areas for any purpose necessary or convenient for the use and occupancy of the Property including but not limited to water, sewer, gas, electricity, television cable, drainage, irrigation, and recreation, and to create other reservations, exceptions, and exclusions in the dedication of the General Common Areas consistent with the best interests of the Owners, the Association, and the Declarant.

Association or the Declarant to maintain, repair, or replace any landscaping or improvements on a Lot or any Unit, and this Section 8.4 vests no rights in Owners or any other person as against the Board of Managers of the Association, the Association, or the Declarant.

Section 8.5 Single Family Use Only. No Lot within the Property shall be used except for residential purposes by a single family equivalent group residing in a detached, single family dwelling and for purposes incidental or accessory thereto. Determinations as to whether uses are incidental or accessory to single family residential purposes or whether a Unit is occupied by a single family equivalent group shall be made by the Board of Managers, but under no circumstances shall the term "incidental or accessory uses" be construed to permit the carrying on of any trade, business, profession or employment (other than a home occupation as may be permitted under applicable zoning codes) or the use of a Unit for a boarding house. Declarant shall be permitted to operate a model unit to sell and manage the construction of the Property until the project is complete. No caretaker apartments will be allowed.

Section 8.6 Limited Common Areas. It is intended that the decks designated on the final Plat as Limited Common Areas shall be primarily used by the Owners of the Unit to which they are attached. The common element and characters are limited to the inherent nature of the decks overhanging the General Common Areas and the need for maintenance.

ARTICLE IX PARTY WALLS MAINTENANCE

Section 9.1 Party Walls. Party Walls are shared by the Townhomes.

Section 9.2 Owner's Expense. Except as is otherwise provided hereinafter, the cost of reasonable repairs and maintenance of a Party Wall shall be a joint and sole expense of the Owners sharing said Party Wall and not the Association. Where the damage is clearly caused by one Owner, said Owner shall be solely responsible for the cost of repair.

Section 9.2 Party Wall Repair and Maintenance. If a Party Wall, or any portion thereof, is damaged or destroyed, such damage or destruction, if possible, shall be promptly repaired. Repair and construction means the restoration of the Party Wall to substantially the same condition in which it existed prior to such damage or destruction. Said repair and maintenance shall be the joint expense of the Owners of the individual Townhome Buildings to be divided equally between such Owners of the Townhome Buildings and not the Association. Without prejudice to the requirement to share the expense, any Owner shall have the right to demand a larger contribution from the other Owners under any rule of law regarding liability for the negligent or willful acts or omissions

of such other Townhome Owner.

Section 9.3 Party Wall Modification. All Townhome Lots and improvements and the Party Walls thereon are subject to a blanket easement of support and blanket easement for the maintenance and repair of the improvements, utilities and other structures or improvements presently situated, or to be built in the future, on these Townhome Lots. Each improvement and the Townhome Lot upon which it is situated and shall be subject to an easement in favor of the Townhome Lot sharing a common Party Wall for encroachments created by construction, settling and overhangs, previously existing or as designed and constructed and for the maintenance of same, so long as said improvements stand. In the event any improvement is partially or totally destroyed, and then rebuilt, the Owner of any adjacent improvement agree that minor and temporary encroachments of parts of the damaged and destroyed improvements due to construction shall be permitted and that a valid easement of said encroachment and the maintenance thereof shall exist. There is hereby created a blanket easement upon, across, over and under each Townhome Lot for the benefit of all of the Townhome Lots and the structures and improvements situated thereon including any Party Wall, for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone television and electricity, provided, however, that said easement shall be limited to situations in which access to any one Townhome Lot is not otherwise available. Said easement includes utility services not presently available to the Townhome Lots which may be installed in the future. By virtue of this easement, it shall be expressly permissible for the providing of electrical and/or telephone company requirements to erect and maintain the necessary equipment on any of the Townhome Lots and to affect and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of any improvements on the Townhome Lots.

ARTICLE X ASSESSMENTS

Section 10.1 All Owners shall be obligated to pay the estimated assessments imposed by the Board of Managers of the Association to meet any common expenses of maintenance, expenses of the Architectural Control Board. The Board of Managers of the Association may establish any reasonable system for periodic collection of common expenses, in advance or arrears, as deemed desirable and as are consistent with its Articles of Incorporation and Bylaws. Assessments made shall be based upon the estimated cash requirements deemed to be such aggregate sum as the Board of Managers of the Association shall from time to time determine to be paid by all of the Owners. Estimated expenses include, but are not limited to the following: the cost of maintenance and operation of any roads maintained by the Association and General Common Areas; expenses of management, taxes and special governmental assessments appertaining to any General Common Areas unless separately assessed

to each Lot, the expenses associated with the use and maintenance of recreation facilities, insurance premiums for insurance coverage as deemed desirable or necessary by the Association, landscaping, care of grounds, common lighting, repairs and renovations, wages, common water and utility charges, legal and accounting fees, management fees, fire monitoring service, expenses and liabilities incurred by the association under or by reason of this contingency or other reserve or surplus fund, as well as other costs and expenses relating to the general common expense. The omission or failure of the Association to fix the assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make pro rata refunds of any assessments in excess of the actual expenses incurred prior to the end of the fiscal year.

Section 10.2 Special Assessments for Capital Improvements. In addition to the annual assessments authorized by this Article, the Association may levy any assessment year a special assessment, payable over such a period as the Association may determine, for the purpose of paying, in whole or in part, the cost of any construction or reconstruction on or unexpected repair or replacement of any roads to be maintained by the Association or any General Common Areas or improvements thereon, or for any other expenses or purchase incurred or to be incurred, as provided in this Declaration. This section shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the matter of assessing for expenses authorized by other sections hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in the same proportion as provided in Section 9.3.

Section 10.3 Apportionment. Each Lot and the Owner of each Lot shall be responsible for its or his share of the common expenses or special assessments. The share for each Unit shall be determined by dividing the total estimated common expenses for a particular period, or the total special assessment, by the total number of Lots within the Property according to the Plat, or such lesser number of Lots as may be appropriate if an expense is not to be borne by all of the platted lots pursuant to other provisions of the Declaration.

Section 10.4 Time for Payment of Assessments. Assessments shall be due and payable within thirty (30) days after written notice of the amount thereof shall have been given to the respective Owner of a Lot. All assessments shall bear interest at the rate of eighteen percent (18%) per annum, or five percent above the prime commercial lending rate of Mountain Parks Bank West, Breckenridge, Colorado, as such rate may be adjusted from time to time, whichever rate is higher, from the date the assessment becomes due and payable if not paid within thirty (30) days after such date. Additionally, the Board of Managers may impose a late charge upon amounts in default as it deems reasonably appropriate.

Section 10.5 Assessment Lien. All sums assessed but unpaid for the share of common expenses or special assessments chargeable to any Lot shall constitute a lien on such Lot and any Unit which lien shall be superior to all liens except (a) tax and special governmental assessment liens on the Lot and improvements thereon and (b) all sums unpaid on a mortgage or deed of trust which constitutes a first mortgage or deed of trust of record at the time of the accrual of such unpaid expenses or assessments, including all unpaid mandatory advances as may be required by such encumbrance. To evidence the lien as herein permitted, the Association shall prepare a written notice setting forth the amount of such unpaid indebtedness, the amount of accrued penalty thereon, the name of the Owner of the Lot and description of the Lot, and record the same in the office of the Clerk and Recorder of Summit County, Colorado. The lien may be enforced by foreclosure of the defaulting Owner's interest in its Lot by the Association in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorney's fees in connection therewith. The Association shall have the power to bid on a Lot and the improvements thereon at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. Any mortgagee holding a lien on a Lot may pay any unpaid assessment payable with respect to such Lot and any and all costs and expenses with respect thereto, and acquire the lien on such Lot for the amounts paid.

Section 10.6 Personal obligation. The amount of assessment chargeable against any Lot and all expenses of collection, including reasonable attorney's fees, shall be a personal and individual debt of the Owner thereof, and shall be a joint and several liability of all persons included as Owner. No Owner may exempt itself from liability for the assessment by abandonment of a Lot or Unit or waiver of the use or enjoyment of any General Common Areas or roads. Suit to recover a money judgment for unpaid assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorney's fees in connection therewith, may be maintained without foreclosing or waiving the assessment lien provided in Section 9.5.

Section 10.7 Notice to Mortgagee. The Association shall report to any mortgagee of a Lot any unpaid assessments remaining unpaid for longer than 90 days after the same shall have become due, if such mortgagee first shall have furnished to the Association written notice of the mortgage and a request for such report.

Section 10.8 Waiver of Homestead Exemption. By accepting a deed to a Lot, each Owner shall thereby waive and release any and all rights and claims said Owner may have in and to the Lot or Unit constructed thereon as a homestead exemption or any other exemption, said waiver and release to be applicable only with

respect to assessment liens imposed pursuant to this Declaration.

Section 10.9 Statement of Status of Assessment Payment. Upon payment of a reasonable fee not to exceed \$50.00 and upon the written request of any Owner, mortgagee, prospective mortgagee, or prospective purchaser of a Lot, the Board of Managers of the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Lot. Unless such statement shall be issued (which shall include posting in the United States mails) within twenty (20) days, all unpaid assessments which become due prior to the date of making such requests shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statement. If the request is made by a prospective purchaser, both the lien for the unpaid assessment and the personal obligations of the purchaser shall be released automatically, without releasing seller's personal liability for the debt, if the statement is not furnished within said twenty (20) day period and the purchaser acquires the Lot within sixty (60) days of its request.

Section 10.10 Personal Liability of Purchaser for Assessments. Subject to the provisions of Section 9.9, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the Lot up to the time conveyance to the purchaser, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

Section 10.11 Assessment Reserves. Each Owner, other than Declarant, may be required to deposit and maintain with the Association an amount equal to one quarter of the estimated annual assessment for each Lot, which sum shall be used by the Association as a reserve for paying such Owner's assessments, for purchase of equipment and supplies, and for working capital of the Association. Such advance payment shall not relieve an Owner from making the regular payments of assessments as the same become due. Upon the sale of a Lot, the amount of an Owner's assessment reserve shall not be refunded, but the Owner may obtain a credit from his grantee for any unused portion thereof.

ARTICLE XI PROTECTIVE COVENANTS

Section 11.1 Improvements Prohibited. No used or secondhand structure, no building of a temporary character, except a sales facility for Declarant's use in selling Lots, no mobile home, house trailer, tent or shack or outbuilding shall be placed or used on the Property, either temporary or permanently, except that necessary appurtenances for and during actual construction may be used, and trailers and structures of a temporary nature may be used during the period of construction of an approved and allowed improvement, but for no longer than twenty-four (24) months or until the total completion of said improvement, whichever is earliest, without prior written approval of the Design Review

Board, which may further limit the uses and time limits provided for herein.

Section 11.2 Signs. No signs, including "for sale" or "for lease" signs, billboards, posterboards, or advertising structure of any kind shall be erected or maintained for any purpose whatsoever except such signs as have been approved by the Design Review Board pursuant to the Architectural Design Guidelines and the Board's rules and regulations. Any signs which are permitted under the foregoing restrictions shall be erected or maintained on the Property only with the prior written approval of the Design Review Board. Declarant shall be permitted to have "for sale" signs and "open house" signs during the initial sell out of the project.

Section 11.3 Trash. No trash, ashes, or other refuse or debris may be thrown or dumped on the Property. The burning of refuse out-of-doors shall not be permitted. No incinerators or other device for the burning of refuse indoors shall be constructed, installed, or used by any person except as approved by the Design Review Board and the Board of Managers. Waste materials, garbage, and trash shall be placed in the dumpster which will be placed on the General Common Area. the Owner of any Lot shall keep the premises free of trash, refuse or debris of any kind.

Section 11.4 Pets, Dogs, Cats or customary household pets may be kept on the Property, not to exceed two (2) per dwelling unit without prior written approval of the Board of Managers. No wild animals or reptiles may be trapped, transported, kept or maintained anywhere upon the Property, on any Lot or any Unit. No other animals except a domestic dog, cat or bird may be kept anywhere on the Property. No pet may be kept which abnormally interferes with the rights, comforts, or convenience of other Owners. Breeding of any animals on the Property is specifically prohibited. All pets must be kept on a leash when outside its Owner's dwelling or Unit.

Section 11.5 Landscaping. All surface areas disturbed by any activities on the Property shall be returned promptly to their natural condition. Any and all landscaping, other than returning surface areas to their natural condition, must be consented to in writing by the Design Review Board.

Section 11.6 Trade Names. No word, name, symbol, or combination thereof shall be used on the Property to identify for commercial purposes a structure, business or service.

Section 11.7 Continuity of Construction. All construction commenced anywhere on the Property shall be prosecuted diligently to completion.

Section 11.8 Noxious or Offensive Activity. No noxious or offensive activity shall be carried on in or on the Property or upon any Lot, nor shall anything be done or placed anywhere on the Property which is or may become a nuisance or cause embarrassment,

disturbance, or annoyance to others.

Section 11.9 Maintenance of Property. Every Lot and Unit shall be kept and maintained by the Owner thereof in a clean, safe, attractive, and sightly condition and in good repair; and no lumber, cut grass, shrub or tree clippings, plant waste, metals, bulk materials, scrap, refuse, inoperative vehicle or parts thereof, or trash shall be kept, stored, or allowed to accumulate anywhere on the Property.

Section 11.10 Annoying Lights, Sounds or Odors. No lights shall be emitted from any Lot which are unreasonably bright or cause unreasonable glare. No sound shall be emitted from any Lot which is unreasonably loud or annoying. No odor shall be emitted from any Lot which is noxious or offensive to others.

Section 11.11 Fences. No fences, walls or other barriers shall be permitted anywhere on the Property except with the prior written approval of the Design Review Board.

Section 11.12 Natural State. No hunting, target practice, discharge of firearms, or disturbance of the natural state of the Property, including the removal of living trees, plants, shrubs, bushes, sagebrush, grass or topsoil, is permitted without prior written consent of the Board of Managers or Design Review Board.

Section 11.13 Access to and Easements Benefitting Other Property. No Owner other than Declarant or its assignee shall use or permit the use of any Lot, or General Common Area, or any portion thereof, as access to, nor grant any access or utility easement upon any Lot or General Common Area for the benefit of, and real property not included within the Property subject to this Declaration, except as such access or easements are shown upon the recorded Plat.

Section 11.14 Vehicles and Miscellaneous Equipment. Automobiles, trucks, pickups, campers, motorbikes or motorcycles, trailbikes, trailers, snowmobiles, garden tractors, and equipment, or any other vehicle of any type, except bicycles, shall be parked, stored, or operated upon the Property only in areas designated for parking on the subdivision Plat or approved for such purpose by the Design Review Board, and in accordance with such rules and regulations as may be adopted by the Board of Managers or the Association. For the purposes of this Section, a "visitor" shall be a person who is not an Owner or the tenant of an Owner and who is visiting a Unit for a period of less than three weeks in duration. No vehicles larger than a pickup truck (i.e. over the Highway tractor) shall be permitted on subject property other than for delivery of merchandise.

Section 11.15 Certain Recreational Vehicles. No motorized trail bikes or snowmobiles shall be operated anywhere within the property.

Section 11.16 Towers and Antennas. No towers or radio or television antennas or satellite dishes shall be erected on any Lot. ✓

Section 11.17. Drainage. No Owner shall do or permit any work, construct any improvements, piece any landscaping, or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Property, except to the extent such alteration of drainage patterns is approved in writing by the Design Review Board.

ARTICLE XII
GENERAL PROVISIONS

Section 12.1 Enforcement. In addition to rights of enforcement specifically granted herein, the Board of Managers of the Association, the Declarant, any managing agent, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, rules, regulations, and charges now or hereafter imposed by or pursuant to the provisions of this Declaration. Failure by the Board of Managers of the Association, the Declarant, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Additionally, any such violation shall give the Declarant, the Board of Managers or any managing agent the right, in addition to any other rights set forth therein, (a) to enter the Lot, Unit or improvement thereon in which, or as to which, such violation or breach exists and to summarily abate and remove at the expense of the defaulting owner, any structure, thing or condition that may exist therein in violation of the Declaration, Articles of Incorporation or Bylaws of the Association or rules adopted by the Association or its Board of Managers, and the Board of Managers or any managing agent shall not be deemed guilty in any manner of trespass or any other civil or legal violation; and (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach, each Owner or other person constructing improvements upon the Property hereby waiving the posting of a bond upon entry of such injunction. All attorney's fees and costs incurred by the Declarant, the Association, its Board of Managers, or any managing agent in a suit to enforce the terms hereof shall, if such party prevails in such action, be recoverable from the losing party. Any expense to be borne by a violating Owner hereunder shall, if not paid within ten days of a demand for payment by the party seeking reimbursement of such expense, be considered an unpaid assessment by the Association against the violating Owner and may be recovered in any manner permitted under Article IX.

Section 12.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

STATE OF COLORADO)
)ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this
_____ day of _____, 1995 by _____
as _____ of _____.

Witness my hand and official seal.

My Commission expires: _____

Notary Public

EXHIBIT A

The legal description of Warrior's Ridge Townhomes is:

Lots 63 and 65, Warrior's Mark, Filing #1, Summit County,
Colorado