

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made of the date hereinafter set forth by ENTRADA TOWNHOUSES LTD., hereinafter referred to as "Declarant".

WITNESSETH:

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

NOW THEREFORE, Declarant hereby declares that all of the properties 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 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. "Association" shall mean and refer to RIDGE PARK HOMEOWNER'S ASSOCIATION, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property herein before described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Tracks A and B as shown on the Plat of Entrada Townhouses as filed and recorded in Plat Book 15 at Page 357, Mesa County Clerk and Recorder's Office, Grand Junction, Colorado.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Entrada Townhouses Ltd., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II
PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) the right of the Association to suspend the voting rights and right to use of 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;

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

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot 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 Lot which is subject to assessment.

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening or either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding the Class B membership, or

(b) on January 1, 2002.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and personal Obligation of Assessments. The Declarant, for each Lot owned within the properties, hereby covenants, and each Owner of any Lot 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, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Exterior Maintenance. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, down-spouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance or repair of a lot or the improvements thereon is caused through the willful or negligent acts of its owner, or through the willful or negligent acts of the family, guests or invitees of the owner of the lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

Section 3. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of the homes situating upon the properties.

Section 4. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be one thousand eight hundred dollars (\$1800.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by not more than 5% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above 5% by a vote of two thirds (2/3) of members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or in proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of

any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot a least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the rate of 10 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. 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 Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability to any assessments thereafter becoming due or from the lien thereof.

ARTICLE V PARTY WALLS

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

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

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law

regarding liability for negligent or willful acts or omissions.

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

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

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

ARTICLE VI ARCHITECTURAL CONTROL

Section 1. Limitations. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein 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 of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. Addition of Exterior Decks. It is expressly understood that one deck may be constructed so that it is attached to the back side of an individual unit, so long as there is adequate space within legal and geographical boundaries and does not encroach within twenty feet of any neighboring unit. Dimensions of such deck shall not exceed ten feet perpendicular, nor fifteen feet parallel to the back exterior wall of the unit. Deck construction shall not commence until the plans and specifications have been submitted to, and approved in writing by the Board of Directors of the Association or by the architectural committee as specified in Section 1 of this article. Decks shall be maintained in like-new condition by their respective homeowners for longevity and structural integrity.

ARTICLE VII GENERAL PROVISIONS

Section 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 covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity 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.

Section 3. Amendment. The covenants and restrictions of this 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 during the

first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. FHA/VA Approval. As long as there is a Class B membership, the following actions must have prior approval, if required, of the Federal Housing Administration or the Veterans Administration: dedication of Common Area and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 26 day of February 1997.

Entrada Townhouses Ltd.

By: Donald J. Fleisher
Donald J. Fleisher, President
of The Fleisher Company,
General Partner

STATE OF COLORADO)
) ss.
COUNTY OF PITKIN)

The foregoing instrument was acknowledged before me this 26 day of February, 1997, by Entrada Townhouses Ltd., by Donald J. Fleisher, President of The Fleisher Company, General Partner.

My commission expires: 11-24-97
WITNESS my hand and official seal.

Nancy K. Ramaley
Notary Public



ARTICLES OF INCORPORATION

OF

1806236 0923AM 07/18/97
NONIKA TODD CLK&REC MESA COUNTY CO

RIDGE PARK HOMEOWNERS ASSOCIATION

In compliance with the requirements of the Colorado Nonprofit Corporation Act, the undersigned, who is a resident of the State of Colorado, hereby establishes a corporation not for profit and adopts the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation is RIDGE PARK HOMEOWNERS ASSOCIATION, hereafter called the "Association."

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the Association is located at 200 E. Main Street, Aspen, CO 81611, and the name of its initial registered agent at such address is Donald J. Fleisher.

ARTICLE III

DURATION

The Association shall have perpetual existence.

ARTICLE IV

PURPOSES AND POWERS

The Association does not contemplate pecuniary gain or profit, direct or indirect, to its members. The purposes for which it is formed are:

- (a) To promote the health, safety and welfare of the residents within Ridge Park Subdivision, in Mesa County, Colorado, filed with the Mesa County Clerk & Recorder.
- (b) To perform powers, rights and privileges under the Declaration of Covenants, Conditions, and Easements recorded in Book 2342, Page 741-746, Mesa County, Colorado (Declaration).

- (c) To pay taxes, if any, on common properties and facilities.
- (d) To perform those acts delegated to the Association pursuant to the Declaration.
- (e) Insofar as permitted by law, to do any other thing that in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the properties.
- (f) To transact all lawful business for which non-profit corporation may be incorporated pursuant to the Colorado Nonprofit Corporation Code.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot in Ridge Park Subdivision, Mesa County, Colorado, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. When more than one person holds an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE VI

BOARD OF DIRECTORS

(a) The affairs of this Association shall be managed by a Board of three Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

- Donald J. Fleisher 200 E. Main Street, Aspen, CO 81611
- Cristopher M. Caruso 200 E. Main Street, Aspen, CO 81611
- Edmund C. Foran 200 E. Main Street, Aspen, CO 81611

(b) At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

(c) The Association's directors and officers shall have the benefit of the same limitations on personal liability for any injury to person or property arising out of a tort as set forth in C.R.S. 7-5-119, as amended, for directors and officers, respectively, of corporations for profit.

(d) The Association shall indemnify the directors, officers, employees and agents to the full extent provided in C.R.S. 7-3-101.5, as amended, and said directors, officers, employees and agents shall have the full benefits thereunder as provided to such officials of corporations for profit.

(e) To the fullest extent permitted by the Colorado Corporation Code as the same exists or may hereafter be amended, a director of this Association shall not be liable to the Association or its members for monetary damages for breach of fiduciary duty as a director.

ARTICLE VII

DISTRIBUTION OF ASSETS ON DISSOLUTION OR FINAL LIQUIDATION

Upon dissolution of the Association the assets of the Association shall be applied and distributed as follows:

All liabilities and obligations of the Association shall be paid, satisfied and discharged, or adequate provisions shall be made therefor.

Assets held by the Association upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements.

Assets received and held by the Association subject to limitations permitting their use only for charitable, religious, eleemosynary, benevolent, educational or similar purposes, but not held upon a condition requiring return, transfer or conveyance by reason of dissolution, shall be transferred or conveyed to one or more domestic corporations, societies or organizations engaged in activities substantially similar to those of this Association. To the extent that the Association acting by and through its Board of Directors has discretion in the distribution of the assets of the Association, such assets shall be distributed exclusively for the purpose of the Association in such manner and to such organization or organizations organized and operating exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision at any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the District Court of Mesa County, Colorado, sitting in equity or by a subsequently organized Court having similar jurisdiction in the premises if the principal

office of the Association is located within such jurisdiction, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VIII

USE OF INCOME AND ASSETS

No part of the net income of this Association shall inure to the benefit of or be distributable to its members, trustees, officers, or other private persons, except that the institution shall be authorized and empowered to pay reasonable compensations for services actually rendered and to make payments and distributions in furtherance of the purposes for which such Association is organized. No part of the activities of the Association shall be carrying on of propaganda or otherwise attempting to influence legislation and the Association shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of these Articles, this Association shall not carry on any other activities not permitted to be carried on by an Association except from income tax under §501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law) or by an association, contributions to which are deductible under §170(c)(2), 2055 and 2522 of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law).

ARTICLE IX

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE X

INCORPORATOR

The incorporator of this Association and his address is as follows:

Cristopher M. Caruso
200 E. Main Street,
Aspen, CO 81611

Dated: FEBRUARY 28, 1997.


Cristopher M. Caruso

MAINTENANCE AGREEMENT

This Agreement is made between the CITY OF GRAND JUNCTION, COLORADO ("City") and ENTRADA TOWNHOUSES LIMITED, a Colorado limited liability company, ("Owner") this 17th day of July, 1997.

Recitals

- A. Owner has applied to the City for approval of a subdivision of land owned by Owner located in The Ridges in the City. A plat drawing of the Property ("Property") is attached hereto as Exhibit "A" and incorporated by this reference.
- B. Owner desires to subdivide the Property into 23 lots as depicted on Exhibit A.
- C. Under the existing Ordinances of the City, the act of subdividing the Property requires that certain street improvements be paid for or constructed by the property owner.
- D. In satisfaction of the requirement to provide street access, Owner proposes to construct private streets within the proposed subdivision.
- E. Owner and City staff have informed the Grand Junction City Council ("Council") that, in the particular circumstances of the Property, and in light of the terms of this agreement, that private streets are acceptable and adequately serve to protect the health, safety and welfare of the community. Furthermore, the Council is persuaded that the City's requirement that the streets be constructed and maintained to City standards is an essential requirement for the acceptance of private streets within the City.
- F. Owner has duly considered the requirements of the City and by this agreement does agree to construct and maintain the streets to city standard in accordance with the following terms and conditions.

NOW, THEREFORE, in witness of the foregoing, and the mutual waivers and promises set forth herein, **THE PARTIES AGREE:**

1. The foregoing recitals, and the minutes of the public hearing on this subject at the City Council meeting held June 18, 1996, are incorporated into this Agreement and form the basis for the agreement of the parties.
2. Owner hereby agrees for itself and for any successors in interest to the Property, be they an owner or owners of single or multiple lots and/or a home owners or property owners association, that the street(s) shown on Exhibit A shall be maintained and kept in good repair, to the standard established herein, at the sole and exclusive cost of Owner or its successor.
3. Maintenance shall include, but not be limited to, upkeep, repair and replacement of all improvements (including but not limited to street surfaces, subcourses, utilities and installations within the street(s), entrance features and the gate or gates at entrances to and/or exits from the property if any.

4. With respect to the maintenance of the street(s) within the property, Owner or its successor shall contract for the performance of such maintenance functions as are set forth on the maintenance schedule attached hereto as Exhibit B, incorporated by this reference as if fully set forth. Such contract may be with any person or entity qualified to perform the work provided however that Owner or its successor shall provide the City, no less frequently than annually, with evidence of the maintenance performed on the street(s) within the property during the previous year.

5. In the event that Owner or its successor does not maintain or repair the street(s) as set forth in Exhibit B, and Owner or its successor fails to cure such failure within ninety (90) days (or such longer period as is reasonable under the circumstances) after receipt of notice of such failure from the City, the City may cause maintenance and/or repair to be performed and charge Owner or its successor the amounts set forth on Exhibit B for the services performed. Failure to pay for the services performed by the City shall give the City the right to lien the lots within the property. The City may also bring an action at law against Owner and/or any successor to enforce the obligations created by this agreement.

6. This Agreement shall be recorded with the Mesa County Clerk and Recorder and the covenants described herein shall run with the title to the Property.

7. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be personally delivered with receipt taken therefore, or sent by certified mail, postage prepaid and return receipt requested, directed to the party intended at the address set forth below, or at such other addresses as may be designated by notice given to the other party in the manner set forth above, and shall be effective upon receipt:

TO OWNER: Entrada Townhouses, Ltd.
200 East Main Street
Aspen, CO 81611

TO CITY: Public Works Manager
City of Grand Junction
250 North Fifth Street
Grand Junction, CO 81501-2668

8. All provisions of this Agreement shall apply to and bind the parties hereto, and their agents, successors and assigns, including successors in title. In the event that Owner forms a home owners or property owners association which assumes the obligations created hereunder, the covenants creating such association shall adopt the maintenance standards provided for herein and furthermore shall provide that the maintenance obligation can not and shall not be amended, waived or modified by the association through amendment of the covenants.

9. This Agreement supersedes any and all prior agreements, written and oral, between the parties and constitutes the complete and entire agreement of the parties. This Agreement shall be governed under, and construed pursuant to, the laws of the State of Colorado.

10. The effective date of this Agreement shall be the date on which this Agreement is fully executed by Owner and by the City.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first written above.

ATTEST: CITY OF GRAND JUNCTION

By: Christine English
for Stephanie Nye
City Clerk

By: James Achen
for Mark K. Achen
City Manager

Date: 7/17/97

OWNER: ENTRADA TOWNHOUSES, LTD.

By: Cristopher Caruso
Cristopher Caruso

Date: 7/15/97

Exhibit "B"
Private Street(s) Maintenance Agenda for Entrada Townhouses, Ltd.

- 1) Crack filing and seal coating shall be performed once every 10 years.
- 2) Asphalt overlay shall be 3 inches in thickness and shall be performed once every 15 years.
- 3) Patching shall be performed annually.
- 4) All maintenance services shall be performed by person(s) or entities possessing sufficient skills and proficiencies to complete the work to a standard equivalent to that of the City of Grand Junction.
- 5) Materials used to perform maintenance shall be of first quality and consistent and compatible with, and no less than equivalent to, the quality of materials used by the City of Grand Junction.
- 6) The length of the street(s) within the property have been measured to be 810 feet, or 0.199 lane miles, including no cul-de-sacs. The City's cost for services are typically measured per lane mile of street as follows. The cost of services for the property is shown assuming the City is contracted to perform those services or in the event of performance of services by virtue of default of this agreement. The cost may vary if services are performed by others.

Maintenance services

a. crack filling 0.199 lane mile x \$235.00/lane mile =	\$46.77
b. seal coating 0.199 lane mile x \$664.00/lane mile =	\$132.14
c. asphalt overlay 0.199 lane mile x \$2710.00/lane mile =	\$539.29
d. patching 0.199 lane mile x \$1807.00/lane mile =	\$359.59

Other services

a. street sweeping 0.199 lane mile x \$1312.00/lane mile =	\$261.09
b. leaf pickup and spring cleanup for 23 households @ \$6.08 per household =	\$158.08

The total maintenance services if contracted to be performed by the City or if services are performed by virtue of default of this agreement is \$1,496.96. in 1997 dollars. For each successive year after 1997, the cost of maintenance services if performed by the City shall be increased to reflect the then prevailing unit cost of materials together with increases in the Denver-Boulder CPI index over the Annual 1997 index. For purposes of this exhibit the annual cost of providing services has been estimated by taking the total cost of completing the service divided by the frequency of the service in years.

FIRST RESTATED PROTECTIVE COVENANTS

RIDGE PARK NO. 1

MESA COUNTY, COLORADO

2045817 03/14/02 0355PM
MONIKA TODD CLK® MESA COUNTY CO
REDFEE: \$45.00

The Board of Directors of the Ridge Park Homeowners Association, after receiving the approval of more than 90% of the property owners within Ridge Park No. 1 Subdivision, Mesa County, Colorado, and pursuant to the provisions of C.R.S. §38-33.3-217, do hereby adopt the following **FIRST RESTATED PROTECTIVE COVENANTS**, which do hereby amend in their entirety and do hereby supercede that Declaration of Covenants, Conditions and Restrictions recorded on July 18, 1997 in Book 2342 at Page 741, and as amended by instrument recorded on January 11, 2002 in Book 3001 at Page 516, of the Mesa County Records.

ARTICLE I

Definitions

1. "ACCO" - Architectural Control Committee.
2. "Subdivision" - Ridge Park No. 1, Mesa County, Colorado, as recorded in Plat Book 17, beginning at page 55 of the Mesa County records.
3. "Developer" - Entrada Townhouses, Ltd.
4. "Lot" - Each Lot shown on the subdivision plat.
5. "Owner" - The person, persons, or entity who owns fee simple title to a Lot. The term shall include the Developer to the extent that it is the Owner of a Lot.
6. "HOA" - RIDGE PARK HOMEOWNERS ASSOCIATION, Inc., a Colorado not-for-profit corporation.
7. "Covenants" - These Protective Covenants of Ridge Park No. 1 Subdivision.
8. "Common Areas" - All real property and improvements thereon owned by the Association for the common use and enjoyment of the Owners. The Common Area is described as all parts of the Platted area of the Subdivision except for Lots 1 through 22 inclusive on the Plat recorded in Plat Book 17 at Pages 55-57 inclusive.

ARTICLE II

Allowed Uses

9. All Lots shall be used only for residential purposes. Only detached/attached single-family dwellings may be constructed on any Lot, and only one dwelling on each Lot. All construction must receive prior approval from the ACCO. Every dwelling shall

have a private garage for two cars. All vehicles, including motor homes and motorcycles, shall be parked within garages or in driveways, except for periods of less than 12 hours. Overnight parking shall be permitted for guests in designated areas only, and shall not be permitted by anyone along streets in areas not designated for guests. No motor vehicle of any kind shall be stored in driveways, on streets or within any common areas.

10. No structure, such as a tent, garage, trailer house, barn or other outbuilding shall be used anywhere within the subdivision as a residence, either temporarily or permanently. No private construction shall be permitted on any part of the Common Area nor shall any homeowner modify any element of the landscaping; only the HOA shall have the right and authority to modify the landscaping.

11. No signs, advertising devices or billboards shall be displayed within the Subdivision. Notwithstanding the above, one "for sale" sign not larger than six square feet may be located on the lot of a property that is being offered for sale, and a sign advertising a yard sale may be located on the lot for not more than 36 consecutive hours. The foregoing notwithstanding, signs designed by the ACCO may be placed at the entrances to the subdivision and at any locations deemed advisable by the ACCO.

12. No animals except as provided in this Paragraph may be kept within the Subdivision. Dogs and cats shall be permitted provided (i) they are not bred or maintained for commercial purposes and (ii) each household shall be limited to not more than two dogs or two cats or one of each animal. All pets must be controlled so that they do not become a nuisance to the neighborhood and do not run at large or endanger or harass other animals or persons. Owners shall not be permitted to keep dogs which bark excessively. Owners, tenants and/or their guest must clean up after their pets.

13. All exterior lights and light standards shall be subject to approval by the ACCO for harmonious development and prevention of lighting nuisances. All exterior lights shall be shielded for downward or directional illumination and shall be free from glare to neighboring properties.

14. No outdoor recreational vehicles such as snowmobiles, motorcycles and ATVs shall be operated in the Subdivision except that street legal and licensed motorcycles may be utilized for transportation upon public roads. Such vehicles may not be stored outdoors. No vehicles shall be allowed on the common grounds except for appropriate maintenance or repair to the common grounds.

15. An owner shall not permit any thing or condition to exist upon his or her Lot which would induce, breed or harbor infectious plant diseases, noxious insects, or rodents. No sound shall be emitted on any property which is unreasonably loud or annoying, and no odor shall be emitted on any property which is noxious or offensive to others. No dumping or disposing of garbage or objectionable material shall be permitted in the Common Area except as determined by the ACCO, at its sole discretion.

ARTICLE III
Property Rights

16. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. the right of the HOA to charge fees for the use of any Common area or any facility owned and/or operated by the HOA;

B. The right of the HOA to suspend the voting rights of an Owner for any period during which any assessment against the Owner's Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules;

C. the right of the HOA to dedicate or transfer any part of any Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors; provided, however, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by a 2/3 vote of all members and such instrument has been recorded.

17. Any Owner may delegate, in accordance with the By-Laws, his or her right of enjoyment to any Common Area and facilities to the members of his or her family, casual guests, or contract purchasers who reside on the Owner's Lot. No such delegation shall relieve the Owner from obligations to pay Association Assessments and to comply with all Association Rules; however, the HOA may also personally assess any such assignees.

ARTICLE IV Architectural Control Committee

18. No buildings, fences, walls or other exterior improvements of any kind, shall be constructed, remodeled or altered in any fashion unless two (2) complete sets of final plans and specifications for such construction or alteration are submitted to and approved by the ACCO prior to the commencement of work. All applications shall be submitted to the ACCO in writing, and all decisions of the ACCO shall be given in writing. If the ACCO fails to take any action within thirty (30) days after complete architectural plans and specifications have been submitted to it, then all of such submitted plans and specifications shall be deemed to be approved. The ACCO may adopt rules and regulations for processing applications, including the assessment of a fee to cover all review costs. The ACCO shall consist of 3 members of the Association to be appointed by the Board.

19. Each lot shall have the right to construct one exterior patio deck which dimensions shall not exceed ten feet perpendicular and fifteen feet parallel to an exterior wall of the structure. The deck shall be enclosed with walls 42" tall (measured from the top surface of the deck). The wall material(s) shall be compatible with the exterior siding material of the residence and shall be subject to the approval of the ACCO. The deck shall not be used as a storage; only customary patio and/or garden furniture and related accessories shall be permitted on any deck. The existing, non-conforming decks of units 8 and 9 are exempt from the above material and wall requirement and unit 16 shall be

exempt with regards to dimensions. All decks shall be maintained in a like-new condition by the unit Owner.

20. The ACCO shall exercise its best judgment to see that all improvements conform and harmonize with the natural surroundings and with existing structures as to external design, materials, color, siding, height, topography, grade, drainage, erosion control and finished ground elevations.

21. The ACCO, its members and any Owner shall not be liable in damages to any person or entity submitting plans and specification or to any Owner or any third party by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove any plans. Any Owner submitting or causing to be submitted any plans and specifications to the ACCO agrees that he or she will not bring any actions or suit to recover damages against the ACCO or any owner, its members individually or its advisors, employees or agents.

22. The ACCO shall notify the Board of the HOA of any violations under the jurisdiction of the HOA. The Board shall notify the Owner in writing of the specific violation and shall set a time in the notice when the Owner may appear before the Board to review the facts of the violation. Within 20 days after such hearing, the Board shall enter its decision and shall notify the Owner in writing. Included in the decision will be a statement by the Board on what action must be taken by the Owner to correct the violation and a time period for completion of the remedial action. If the Owner does not complete the remedial action as set forth in the decision, then the Board may commence legal proceedings in the Mesa County District court seeking damages and/or specific performance of the Covenants in this Declaration. The prevailing party may recover all costs and attorney fees incurred in any such proceeding.

ARTICLE V

The HOA, Membership and Voting Rights

23. The HOA shall be a not-for-profit corporation organized under the laws of the State of Colorado to exercise its powers for the purposes set forth in these Covenants, including the appointment and removal of ACCO members, the management and delivery of HOA Water, the repair and maintenance of HOA facilities, the levy and collection of assessments, enforcement of the Covenants and such rules as may be adopted by the Board, and to exercise such other powers as are set forth in these Covenants, or which are reasonably necessary to fulfill the objectives and purposes of these covenants.

24. By acceptance of a deed to a Lot in the Subdivision, each Owner shall become a Member of the HOA. Such membership shall be appurtenant to any Lot and may not be separated from the ownership of any Lot. There shall be one class of members with each Lot having a single vote on all voting matters. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

25. Neither the HOA, nor Board member, officer, agent or employee of the HOA, shall be liable to any Owner or other person or entity for any action or any failure to act with respect to any matter if the action taken or failure to act was in good faith and without willful or intentional misconduct. The HOA shall indemnify and hold harmless any member of the Board, or any officer, agent or employee of the HOA from any and all reasonable costs, damages, charges, liabilities, obligations, fines, penalties, claims, demands, or judgments and any and all expenses, including, without limitation, attorneys' fees, incurred in the defense or settlement of any action arising out of or claimed on account of any act, omission, error or negligence of such person, provided that such person has acted in good faith and without willful or intentional misconduct.

26. Notwithstanding the duty of the HOA to maintain the Common Area, the HOA shall not be liable for injury or damage, other than the normal costs of the maintenance and repair, caused by any condition of the Common Area or by the conduct of other Owners or persons

ARTICLE VI
Insurance

27. The HOA shall be empowered to obtain and maintain insurance coverage upon the Common Area and all other property owned or leased by the HOA which may include:

A. Insurance coverage against loss or damage by irrigation, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, fire and all other casualties as are covered under standard coverage provisions for the full insurable replacement cost of any Common Area or any assets of the HOA. Insurance coverage may include protection for electrical wiring used to service and maintain the common irrigation system or other assets of the HOA.

B. Comprehensive public liability insurance and Workmen's Compensation coverage for employees, and other liability insurance insuring the HOA, Board of Directors, Managers and agents in connection with the performance of their duties on behalf of the HOA.

C. Such other insurance as the Board may deem desirable for the benefit of the Owners, the Board or the HOA.

ARTICLE VII
HOA Water

28. All irrigation water to be used for the Common Area shall be owned by the HOA and the HOA shall establish rules for the use of the water. The HOA shall acquire and own sufficient shares of irrigation water to provide for the reasonably necessary irrigation water needs of the Subdivision. The HOA shall have the exclusive authority to allocate, deliver, manage and control the use of HOA Water for the use and benefit of Lots for irrigation purposes within the Subdivision. Furthermore, the HOA shall have the exclusive authority to own, operate, repair and maintain the Common Irrigation Facilities.

29. The HOA shall pay all irrigation billings from its revenue generated from regular and special assessments made and levied in accordance with these Covenants.

ARTICLE VIII
Covenant For Maintenance Assessments

30. Each Lot Owner shall pay to the HOA regular assessments and special assessments to be established and collected as provided in this document. Assessments, together with interest at a rate to be set from time to time by the HOA Board of Directors, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lots against which such assessments are made; provided, however, that any such lien shall be subordinate to any first Deed of Trust on any Lot and shall be foreclosed in any foreclosure proceedings under such first Deed of Trust. All assessments shall be uniformly applied to lots according to their state of development. Lots that are fully developed and sold shall pay the full assessment. Lots under development, commencing with the issuance of a building permit, shall pay a monthly assessment equal to two-thirds the amount of the full assessment. Underdeveloped lots shall pay a monthly assessment equal to one-third the amount of the full assessment. The HOA shall not be obligated to maintain property it does not own, but shall maintain all property held by the HOA.

31. In addition to maintenance upon the Common Area, the Association shall maintain the trees, shrubs, grass, sidewalks and driveways in all areas within the subdivision. The foregoing notwithstanding, should the need for maintenance of any of these items be necessitated by the willful or negligent acts of an owner/tenant, its family, guests or invitees, then the cost of such maintenance shall be paid by the offending owner. Such exterior maintenance shall not include glass surfaces.

32. The assessments, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owners of such Lots at the time when the assessment falls due. The personal obligation for delinquent assessments shall pass to any successors in title unless expressly waived by the HOA. Regardless of transfer, the unpaid assessment shall remain a lien on the Lot and shall also remain a liability of the Owner at the time the assessment falls due.

33. No later than December 1 of each year, or such other date as may be established by the Board, the Board shall adopt a proposed budget for the following calendar year estimating the cost and expenses to be incurred by the HOA during the succeeding year in performing its functions (including a reasonable provision for contingencies), and shall subtract from such estimate an amount equal to the anticipated balance in the operating fund. Within 30 days after adoption of the proposed budget, the Board shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all members and shall set a date for a meeting of the members to consider ratification of the budget. Such meeting shall be held not less than 14 nor more than 50 days after mailing or other delivery of the summary. Unless at that meeting a majority of all members reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the members must

be continued until such time as the members ratify a subsequent budget proposed by the Board. Assessments shall be paid in a single annual installment due on or before thirty (30) days following notice of final assessment. At the election of the Board, the Assessment may be collected on a monthly or quarterly basis, or at such other intervals as the Board may determine.

34. If at any time during the fiscal year the regular assessment proves inadequate, the Board may levy a further assessment in the amount of such actual or estimated inadequacy. The special assessment shall be assessed to the owners by dividing the total estimate by the total number of Lots in the Subdivision and assessing the resulting amount to the owner of each Lot, such assessment to be paid in installments or a lump sum as the Board shall determine. No such special assessment may be levied until first approved by a 2/3 vote of the Members.

35. In addition to regular and special assessments, the HOA may levy a capital improvements assessment for the purpose of defraying the cost of any capital improvement to the Common Areas and to any facility owned and/or operated by the HOA, provided that such assessment shall be approved by a 2/3 vote of the members.

36. Written notice of a meeting called for the purpose of taking any action for the approval of special or capital assessments shall be sent to all members not less than 15 days nor more than 50 days in advance of the meeting. At the first such meeting called the presence in person or by proxy of at least 60% of the members shall be required to constitute a quorum. When a second meeting is called, it shall also consist of a quorum of sixty (60%) percent of the members. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

37. If any assessment is not paid when due, the HOA may enforce payment of such obligation by any or all of the following remedies:

A. For any assessment payable in installments, the HOA may elect to accelerate and declare immediately due and payable the remaining installment balance.

B. The HOA may bring a suit at law to collect the delinquent assessments, including any accelerated assessment. Any judgment rendered in such action shall include a sum for costs of suit, including reasonable attorneys' fees.

C. All delinquent assessments shall draw interest at a rate to be determined by the Board (but not to exceed 12% per annum) and shall constitute a lien on the delinquent Owner's Lot from the date of delinquency. The lien shall remain a lien on the Lot until paid. At any time following delinquency in the payment of any assessment, the Board may prepare and record in the Mesa County, Colorado Clerk and recorder's office a certificate giving public notice of such lien. The certificate shall state the name and address of the delinquent Owner, the legal description of the Lot subject to the lien, the amount claimed due, and that the claim of lien is made pursuant to this Declaration. The lien created may be foreclosed as provided by Colorado law for the foreclosure of judgment liens upon real property. Nothing

herein shall constitute a limitation upon any other remedy available to the HOA, whether by statute or in equity.

D. Assessment liens shall be subordinate to the lien of any first Mortgage or Deed of Trust. However, the lien of the assessment shall be superior to any homestead exemption provided by the laws of the State of Colorado and by accepting a deed to the Lot, each Owner hereby specifically waives such homestead exemption to the extent of such lien. The lien for assessments shall remain in full force and effect notwithstanding the sale or transfer of any Lot. A transfer shall not extinguish the lien for such assessment for payments which become due prior to such sale or transfer. No sale, transfer or foreclosure proceeding brought by the holder of any first Deed of Trust or mortgage shall extinguish the personal obligation of the Owner for delinquent and unpaid assessments.

ARTICLE IX
Party Walls

38. Each wall built as part of the construction of improvements and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply.

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

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

41. An Owner who through negligence or willful act causes the party wall to be exposed to the elements shall bear the entire cost of furnishing the necessary protection against such elements.

42. The right of an Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title. Any dispute arising under these Party Wall provisions shall be resolved through arbitration.

ARTICLE X
General Provisions

43. These First Restated Protective Covenants shall run with the land and shall be binding for a period of thirty years after the date of the recording of these Covenants, and shall be automatically extended for successive period of five years, unless by a vote of at least SEVENTY-FIVE (75) percent of the then Owners, it is agreed to change or repeal these Covenants in whole or in part.

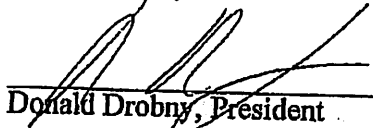
44. These First Restated Protective Covenants are incorporated into and shall be a part of each deed or instrument of conveyance, be deemed accepted, ratified and declared as a personal covenant of each Owner, and shall be deemed a covenant on real property and an equitable servitude running as a burden with and upon the title to each Lot.

45. These Covenants shall be enforceable by the HOA or by any Owner through a proceeding for prohibitive or mandatory injunction or by suit to recover damages. In connection with the rights of enforcement and remedies provided in these Covenants, the prevailing party shall be entitled to recover costs and expenses, including reasonable attorney's fees.

46. The invalidity or unenforceability of any provision of these Covenants in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of these Covenants.

47. These Covenants shall be binding upon and inure to the benefit of the HOA and each Owner and the heirs, personal representatives, successors and assigns of each.

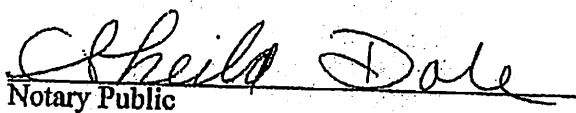
These First Restated Covenants are signed as of the 6 day of March, 2002, by the president of the Ridge Park Homeowners Association after approval by the Board of Directors of said Association and after having first receiving the approval of at least 90% of the property owners within Ridge Park #1 Subdivision.


Donald Drobny, President

STATE OF COLORADO)
COUNTY OF MESA) ss.

The foregoing First Restated Protective Covenants, RIDGE PARK NO. 1, Mesa County, Colorado, were subscribed and sworn to before me this 6 day of March, 2002, by Donald Drobny, President, of the Ridge Park Homeowners Association.

[SEAL]


Notary Public

My Commission Expires: 12-6-2002

