(3

358
175

A25716

DECLARATION

OF

COVENANTS, CONDITIONS,

RESTRICTIONS AND EASEMENTS

OF

THE GREENS OF ARROWHEAD AT VAIL

425716 B-529 P-556 05/17/90 16:32 PG 1 OF 35 REC 175.00 DOC 0.00
JOHNNETTE PHILLIPS EAGLE COUNTY CLERK, COLORADO

00191

INFORMATION BROCHURE
FOR THE
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS,
AND EASEMENTS
OF
THE GREENS OF ARROWHEAD AT VAIL

The Greens of Arrowhead at Vail (The Greens) is a development of approximately 12.4 acres located in Eagle County, Colorado. Once completely developed, The Greens will consist of 43 lots with single-family, duplex, and multi-family homes. Each lot within The Greens will be subject to the provisions of The Declaration of Covenants, Conditions, Restrictions, and Easements of The Greens of Arrowhead at Vail (the "Declaration"), the Articles of Incorporation, the Bylaws, and Rules and Regulations for theAssociation, among other documents. The following is a summary of some of the provisions of some of the project documents.

Articles of Incorporation. The Articles of Incorporation establish and create The Greens of Arrowhead at Vail Homeowner's Association, a Colorado non-profit corporation (The "Association"). The primary purposes for which the Association was formed are (i) to provide for maintenance and preservation of the common area and the exterior maintenance area under the Declaration, and (ii) to promote the health, safety, and welfare of the owners and users of the property subject to the Declaration (the "Property"). The Association will enforce the provisions of the Declaration and adopt rules and regulations concerning ownership of homes within The Greens. There are no present plans for common area to be owned or maintained by the Association.

Bylaws. The Bylaws of the Association establish a general operating framework for governance of the Association. For example, the Association has two classes of voting membership: Class A members and Class B members. Class A members are all owners, with the exception of Windermere Development Corporation, a Colorado corporation (the "Declarant"), and its successors and assigns. Class B members shall be the Declarant and any successor of Declarant,

which takes title to all or part of the Property for the purpose of the development and sale of lots. The Bylaws, among other things, establish meetings of the members and the association, what constitutes a quorum, the manner of voting and proxies, and the creation of a board of directors to manage the affairs of the Association. The board of directors elects officers of the Association who direct the day-to-day business of the Association. The Association is responsible for bookeeping and accounting functions, collection of the assessment fees from the members, preparing an annual budget, providing for an annual audit, repair and maintenance of the exterior maintenance area and any common area, as well as other related duties.

Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail. The Declaration provides for certain covenants, conditions, restrictions and easements regarding the Property, and which are binding on on all parties owning an interest in any part of the Property. It describes the rights and duties of home ownership in The Greens. In accordance with the Bylaws, the Declaration establishes the membership and voting rights among the owners of lots, as well as the operations and functions of the Association. Among other things, it provides the owners with an easement of enjoyment, and provides for exterior maintenance of all residences, as well as maintenance and landscaping of the lots surrounding the perimeter of the residences. The Declaration contains specific provisions relating to insurance and fidelity bonds, as well as providing an obligation for annual assessments and special assessments. At this time, the Association does not provide an owner with any insurance concerning such owner's residence or lot, including fire, extended coverage, liability, personal property or title insurance. Each owner will be responsible for his or her own insurance. Procedures for the enforcement and collection of assessments have been established. Each assessment shall be the personal obligation of the owner concerned, and a lien will be created against an owner's lot for the amount of any delinquent assessments. The Declaration also refers to the Arrowhead at Vail Association (the "Master Association") and the Amended and Restated Declaration of Covenants, Conditions,Restrictions, and Easements for Arrowhead at Vail (the "Master Association Declaration"). All property located within The Greens will also be subject to the provisions of the Master Association Declaration and other related documents. In order to protect aesthetics, and to provide assurance that future developments, additions, and changes will conform and be harmonious with the external design and location of existing structures, the owners must receive prior approval of any conditions or changes to the residence from the Design Review Committee of the Master Association and the board of directors of the Association.

Lease and Operating Agreement. The Declarant intends to enter into a Lease and Operating Agreement with Country Club of the Rockies (the "Club") for the management of certain property which will be used as a putting green. During the term of the Lease, the putting green may be used by the owners of The Greens, and their guests and invitees, as well as members of the Country Club of the Rockies. In order for an owner of The Greens to be entitled to use the putting green, the owner must first register its name and address and the names of all other members of its household with the Club prior to using the putting green. In the event the Country Club of the Rockies and the Declarant do not enter into a lease, then the Declarant intends to make other arrangements so that the Green is maintained and operated in a first class resort standard.

The foregoing summary does not include all of the provisions of the project documents and only summarizes portions of the documents. Declarant requests that each prospective owner of a home in The Greens obtain and fully review copies of the Declaration, the Articles of Incorporation and Bylaws for the Association, as well as copies of the Master Association documents and any promulgated rules and regulations, and all amendments thereto, before entering into a contract to purchase a home in The Greens. Copies of all these documents may be obtained from the Declarant or the developer of any lots within The Greens.

I/We acknowledge receipt of a copy of this Information Brochure this _____ day of _____, 19___.

_____
Purchaser

_____
Purchaser

THE GREENS OF ARROWHEAD AT VAIL HOMEOWNERS ASSOCIATION
DESCRIPTION OF COMPANY
1992

1.	Legal address 0677 Sawatch Drive Edwards, CO 81632	Mail address P.O. Box 69 Edwards, CO 81632
2.	State of Incorporation	Colorado, non-profit
3.	Date of Incorporation	April 9, 1990
4.	Class A Members	One Vote for each Lot Owned
	Class B Members	Three Votes for each Lot held
5.	Minute book location	Vail office
6.	Member's meeting	Annually, time selected by the Board
7.	Board of Directors meeting	At regular times, as set by the Board
8.	Auditors	No auditors
9.	Legal	Sherman & Howard Denver, CO
10.	Federal Employer ID No.	84-1166425
11.	Fiscal year ends	December 31
12.	Directors	James P. Thompson Richard D. MacCutcheon George O. Sanders
13.	Officers	James P. Thompson - President Richard P. MacCutcheon - Vice President, Secretary, Treasurer

DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
OF
THE GREENS OF ARROWHEAD AT VAIL

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS of The Greens of Arrowhead at Vail (this "Declaration") is made as of April 26th, 1990, by Windemere Development Corporation, a Colorado corporation (the "Declarant").

425716 B-529 P-556 05/17/90 16:32 PG 2 OF 35

Recitals

A. Declarant is owner of that certain real property located in Eagle County, Colorado more particularly described on the attached Exhibit A (the "Property").

B. The Property is subject to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Arrowhead at Vail, recorded on August 22, 1985 in Book 423 at Page 27 in the records of the Clerk and Recorder of Eagle County, Colorado, as amended from time to time (the "Master Declaration").

C. Declarant desires to subject the Property to certain covenants, conditions, restrictions and easements which shall be in addition to, and not in lieu of, the Master Declaration.

Declarant hereby declares that the Property shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions and easements which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Property.

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. The following words, when used in this Declaration or in any Supplemental Declaration (as provided under Article XIV below), unless inconsistent with the context of this Declaration, shall have the following meanings:

A. "Annual Assessment" means the Assessment levied annually pursuant to Article IX, Section 9.3.

B. "Arrowhead at Vail" means the subdivision known as Arrowhead at Vail, as shown on plats of record in the office of the Clerk and Recorder of Eagle County, Colorado.

C. "Articles" mean the Articles of Incorporation for The Greens of Arrowhead at Vail Homeowner's Association, currently on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.

D. "Assessments" means the Annual, Special, and Default Assessments levied pursuant to Article IX below.

E. "Association" means The Greens of Arrowhead at Vail Homeowners Association, a Colorado nonprofit corporation, and its successors and assigns.

F. "Association Documents" means this Declaration, the Articles of Incorporation, and the Bylaws of the Association, and any procedures, rules, regulations, or policies adopted under such documents by the Association.

G. "Board of Directors" means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Property and all improvements on the Property.

H. "Bylaws" means the Bylaws adopted by the Association, as amended from time to time.

I. "Club" means the Country Club of the Rockies, Inc., a Colorado nonprofit corporation.

J. "Common Area" means all the real property and improvements thereon, if any, in which the Association owns an interest for the common use and enjoyment of all of the Owners on a non-exclusive basis, and for members of the Club, and members of the Master Association and their immediate family members, guests, and tenants. Such interest may include, without limitation, estates in fee, for terms of years, or easements.

K. "Common Expenses" means (i) all expenses expressly declared to be common expenses by this Declaration, any Supplemental Declaration, or the Bylaws; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing, or replacing the Common Area and Exterior Maintenance Area; (iii) insurance premiums for the insurance carried under Article VII; and (iv) all expenses lawfully determined to be common expenses by the Board of Directors.

425716 B-529 P-556 05/17/90 16:32 PG 3 OF 35

00193

L. "Declarant" means Windemere Development Corporation, a Colorado corporation, and its successors and assigns.

M. "Declaration" means and refers to this Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail.

N. "Default Assessment" means the Assessments levied by the Association pursuant to Article IX, Section 9.6 below.

O. "District" means the Arrowhead Metropolitan District.

P. "Expansion Property" means such additional real property which is currently owned or may be acquired by Declarant in the future which Declarant may subject to this Declaration by duly recorded Supplemental Declaration.

Q. "Exterior Maintenance Area" means the exterior of any Residence (excluding window panes), and the property surrounding the Residence and any improvements on such property within the perimeter of the Lot on which the Residence is located.

R. "First Mortgage" means any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

S. "First Mortgagee" means any person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

T. "The Greens of Arrowhead at Vail" shall mean the planned community created by this Declaration, consisting of the Property, the Residences, and any other improvements constructed on the Property.

U. "Lot" means a plot of land subject to this Declaration and designated as a "Lot" on any subdivision plat of the Property recorded by Declarant in the office of the Clerk and Recorder of Eagle County, Colorado, together with all appurtenances and improvements, including a Residence, now or in the future on the Lot.

V. "Manager" shall mean a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Board of Directors may authorize from time to time.

W. "Master Association" means the Arrowhead at Vail Association, a nonprofit membership corporation, described in the Master Declaration.

425716 B-529 P-556 05/17/90 16:32 P OF 35

00194

X. "Master Association Documents" means the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Arrowhead at Vail recorded on August 22, 1985, in Book 423 at Page 27 of the records of the Clerk and Recorder of Eagle County, Colorado, and the Articles of Incorporation and the Bylaws of the Master Association, and all rules and regulations, including but not limited to design guidelines, issued by the Master Association pursuant to such documents, all as amended and supplemented from time to time.

Y. "Member" shall mean every person or entity who holds membership in the Association.

Z. "Mortgage" shall mean any mortgage, deed of trust, or other document pledging any Lot or interest therein as security for payment of a debt or obligation.

AA. "Mortgagee" means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.

BB. "Owner" means the owner of record, whether one or more persons or entities, of fee simple title to any Lot, and "Owner" also includes the purchaser under a contract for deed covering a Lot, but excludes those having such interest in a Lot merely as security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired fee simple title to the Lot pursuant to foreclosure or other proceedings.

CC. "Property" means and refers to that certain real property described on Exhibit A attached to this Declaration and such additions to the Property as may in the future be brought within the jurisdiction of this Declaration in accordance with Article XIII below.

DD. "Putting Green" means that parcel of real property described on Exhibit B attached hereto and by this reference incorporated herein, currently owned by Declarant upon which it is proposed that a golf putting facility be constructed. The Putting Green is not included in the Property.

EE. "Residence" means the single family dwelling constructed on any one Lot.

FF. "Special Assessment" means an assessment levied pursuant to Article IX, Section 9.5 below on an irregular basis.

GG. "Successor Declarant" means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Eagle County, Colorado, designating such party as a Successor Declarant. Upon such recording, Declarant's

425716 -529 P-556 05/17/90 16:32 PG 5 OF 35

0195

rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

HH. "Supplemental Declaration" means an instrument which subjects any part of the Expansion Property to this Declaration, as more fully provided for in Article XIV below.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 2.1. The Association. 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 2.2. Transfer of Membership. An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Lot and then only to the purchaser or Mortgagee of his Lot.

Section 2.3. 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 Declarant, and, except as otherwise provided for in this Declaration, shall be entitled to vote in Association matters pursuant to this Declaration on the basis of 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 by one person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Lot shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any Owner of a Lot which is leased may assign his voting right to the tenant, provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one vote be cast with respect to any one Lot.

Class B. The Class B Member(s) shall be Declarant and any successor of Declarant who takes title to all or part of the Property for the purpose of development and sale of the Property and who is designated as Successor Declarant in a recorded instrument executed by Declarant. Any Class B Member shall be entitled to three votes for each Lot held by the Class B Member. The Class B membership shall terminate on the earlier of the following events:

(a) December 31, 2010, or

425716 B-529 P-556 05/17/90 16:32 Pg 6 OF 35

00196

(b) the date on which Declarant voluntarily relinquishes its Class B membership, evidenced by a notice recorded in the office of the Clerk and Recorder for Eagle County, Colorado.

After termination of the Class B membership, Declarant and any designated Successor Declarant shall be entitled to one vote for each Lot owned.

Section 2.4. Compliance with Association Documents. Each Owner shall abide by and benefit from each provision, covenant, condition, restriction and easement contained in the Association Documents. The obligations, burdens, and benefits of membership in the Association concern the land and shall be covenants running with each Owner's Lot for the benefit of all other Lots and for the benefit of Declarant's adjacent properties.

Section 2.5. Books and Records. The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and to Mortgagees, current copies of the Association Documents and the books, records, and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials.

Section 2.6. Manager. The Association may employ or contract for the services of a Manager to whom the Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Board. The Board shall not be liable for any omission or improper exercise by a Manager of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 2.7. Association as Successor Declarant. The Association shall succeed to all of the duties and responsibilities of Declarant under this Declaration upon termination of the Class B membership in accordance with Article II, Section 2.3 above. The Association shall not succeed to any rights of Declarant regarding any portion of the Expansion Property which has not then been annexed to the Property.

Section 2.8. Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association Documents or reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Association Documents, and every other duty or obligation implied by the express provisions of the Association Documents or necessary to reasonably satisfy any such duty or obligation.

425716 B-529 P-556 05/17/90 16:32 PG 7 OF 35

425710

ARTICLE III
POWERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

The Board of Directors shall have power to take the following actions:

A. Adopt and publish rules and regulations governing the use of the Common Area, including any recreational facilities which may be constructed on such property, and the Exterior Maintenance Area, and governing the personal conduct of the Members and their guests and any other Persons entitled to use the Common Area so provided in this Declaration, and the Association may establish penalties, including, without limitation, the imposition of fines, for the infraction of such rules and regulations;

B. Suspend the voting rights of a Member during any period in which such Member is in default on payment of any Assessment levied by the Association, as provided in Article IX, Section 9.7. Such rights may also be suspended after notice and hearing for a period not to exceed 90 days for infraction of published rules and regulations, unless such infraction is ongoing, in which case the rights may be suspended during the period of the infraction and for up to 90 days thereafter; and

C. Exercise for the Association all powers, duties, and authority vested in or delegated to the Board of Directors and not reserved to the Members or Declarant by other provisions of this Declaration or the Articles or Bylaws of the Association.

ARTICLE IV
COMMON AREA

Section 4.1. Conveyance of Common Area. From time to time, Declarant may, but shall not be obligated to, convey to the Association by written instrument recorded with the Clerk and Recorder of Eagle County, Colorado, certain parcels of the Property as Common Area for use by all of the Owners and certain other persons, as provided in this Declaration. No portion of the Common Area shall be conveyed for use by the general public, but shall be designated for the common use and enjoyment of (i) members of the Club, and (ii) the Owners and members of the Master Association and their immediate family members, guests and tenants, as more fully set forth in Article V below, subject to the limitations set forth in that Article.

At any time on or before December 31, 2010, Declarant may, but shall be under no obligation to, offer to subject the Putting Green and any other related facilities to this Declaration. The Putting Green shall become subject to the provisions of this Declaration in accordance with the provisions of Article XIV, and the Putting Green shall become Common Area for use by all of the Owners, and certain other persons, as provided in this Declaration. Notwithstanding the foregoing, Declarant shall have only the right, but not the obligation to subject the Putting Green to this Declaration. Declarant reserves the right to

425716 B-529 P-556 05/17/90 16:32 PG 8 35
00198

lease, sell or otherwise dispose of the Putting Green to a party or parties other than the Association.

Section 4.2. Maintenance. The Association shall maintain and keep the Common Area in good repair, and the cost of such maintenance shall be funded as provided in Article IX. This maintenance shall include, but shall not be limited to, upkeep, repair and replacement, subject to any insurance then in effect, of all landscaping and improvements located in the Common Area. In the event the Association does not maintain or repair the Common Area, Declarant shall have the right, but not the obligation, to do so at the expense of the Association.

ARTICLE V
PROPERTY RIGHTS OF OWNERS AND RESERVATIONS BY DECLARANT

Section 5.1. Owner's Easement of Enjoyment. Every Owner has 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.

Section 5.2. Rights to Use the Putting Green. Declarant reserves the right to Declarant, its successors and assigns and to the Association to permit (i) members of the Club and (ii) members of the Master Association and their immediate family members, guests and tenants to use the Putting Green, if it becomes Common Area.

Section 5.3. Recorded Easements. The Property shall be subject to all easements as shown on any recorded plat affecting the Property and to any other easements of record or of use as of the date of recordation of this Declaration. Declarant reserves the right to unilaterally vacate, relocate, enlarge, diminish, and reconfigure any easements established by Declarant on any plat or other recorded document affecting the Property, provided that access to all of the Property is maintained at all times.

Section 5.4. Utility Easements. There is hereby created a general easement upon, across, over, in, and under the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electrical, and cable communications systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such services to install and maintain necessary equipment, wires, circuits, and conduits under and over the Property. No water, sewer, gas, telephone, electrical, or communications lines, systems, or facilities may be installed or relocated on the surface of the Property unless approved by Declarant prior to termination of the Class B membership, or after such termination, by the Association. Such utilities may be temporarily installed above ground during construction, if approved by Declarant, subject to the requirements, if any, of the Master Declaration.

425716 B-529 P-556 05/17/90 16:32 PG 9 OF

(1199

Any entity using this general easement shall use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners, the Association, and Declarant; shall prosecute its installation and maintenance activities as promptly as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any entity furnishing a service covered by this general easement request a specific easement by separate recordable document, either Declarant or the Association shall have, and are hereby given the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms of this Declaration. This general easement shall in no way affect, avoid, extinguish, or modify any other recorded easement affecting the Property.

Section 5.5. Reservation for Expansion. Declarant hereby reserves to itself and for Owners in all future phases of The Greens of Arrowhead at Vail an easement and right-of-way over, upon, and across the Property for construction, utilities, drainage, and ingress to and egress from the Expansion Property, and for use of the Common Area. The location of these easements and rights-of-way may be made certain by Declarant or the Association by instruments recorded in Eagle County, Colorado.

Section 5.6. Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under, and across the Common Area, together with the right to store materials on the Common Area and to make such other use of the Common Area as may be reasonably necessary or incident to the construction of Residences on the Lots or other improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to The Greens of Arrowhead at Vail by the Owners.

Section 5.7. Reservation of Easements, Exceptions, and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Area, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within The Greens of Arrowhead at Vail.

Section 5.8. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

425716 B-529 P-556 05/17/90 16:32 PG 10 OF 35

Section 5.9. Maintenance Easement. An easement is hereby reserved to Declarant, and granted to the Association, and any member of the Board of Directors or the Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in, and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, including the right to enter upon any Lot for the purpose of performing maintenance to the landscaping or the exterior of the Residence on such Lot, as required by the Association Documents.

Section 5.10. Association as Attorney-in-Fact. Each Owner, by his acceptance of a deed or other conveyance vesting in him an interest in a Lot, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution as the Owner's true and lawful attorney in the Owner's name, place and stead to deal with the Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the Owner and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Section and this Declaration generally. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment. No Owner shall have any rights against the Association or Declarant or any of their officers or directors with respect thereto except in the case of fraud or gross negligence.

Section 5.11. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area to the members of his family, his tenants, guests, licensees, and invitees, but only in accordance with and subject to the limitations of the Association Documents.

ARTICLE VI
EXTERIOR MAINTENANCE AREA AND SPECIAL EASEMENT

Section 6.1. Exterior Maintenance Area. In order to maintain a uniform appearance and a high standard of maintenance within The Greens of Arrowhead at Vail, the Association shall maintain the Exterior Maintenance Area, as more fully set forth below.

Section 6.2. Residence Exteriors. The Association shall maintain the exterior of all Residences, including, but not limited to, painting and staining of the exterior. The Association shall have the sole discretion to determine the time and manner in which such maintenance shall be performed as well as the color or type of materials used to maintain the Residence, subject to the architectural and design guidelines of the Master Association Documents. The Owner shall be responsible for repair or replacement of broken window panes.

425716 B-529 P-556 05/17/90 16:32 PG 11 OF

10200

Section 6.3. Landscaping, Sidewalks and Driveways. The Association shall maintain landscaping of the Lot surrounding the perimeter of the Residence, including, but not limited to, lawns, trees and shrubs, and the Association shall also maintain sidewalks and driveways (and the maintenance provided under this section shall include snowplow services). The maintenance provided under this section shall be performed at such time and in such a manner as the Association shall determine, subject to the architectural and design guidelines of the Master Association Documents.

Section 6.4. Special Easement. Declarant hereby reserves for itself and grants, to the Association, the Board of Directors, and their respective representatives, a nonexclusive easement to enter upon and use the Exterior Maintenance Area as may be necessary or appropriate to perform the duties and functions which they may be obligated or permitted to perform pursuant to this Article VI.

Section 6.5. Maintenance Contract. The Association or Board of Directors may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions, or duties of the Association to maintain the Exterior Maintenance Area. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Board. The Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 6.6. Owner's Responsibility. The Owner shall be responsible for maintaining all portions of the Owner's Lot other than the Exterior Maintenance Area; provided, however, the Owner shall also be responsible for the maintenance of any balcony, patio, or deck area of his Residence other than painting maintenance (as provided in Section 6.2). No Owner shall make any addition or other alteration to any portion of the Exterior Maintenance Area without the express consent of the Association, including but not limited to resurrection of any fences or other exterior structures outside of the Residence, and any firewood storage shall be out of the view of the public. The Association shall be entitled to reimbursement for cost of repair from any Owner who causes, or whose tenant, employee or guest causes, damage to the Exterior Maintenance Area by a deliberate act or negligence.

ARTICLE VII
INSURANCE AND FIDELITY BONDS

Section 7.1. Authority to Purchase. Except as otherwise provided in Section 7.2 and Section 7.13 below, all insurance policies relating to the Property shall be purchased by the Board of Directors or its duly authorized agent. At the election of the Board of Directors, the insurance coverage obtained by the Board of Directors pursuant to the terms of this Article may be in the form of (i) a "master" or "blanket" policy, or

00202
B-529 P-556 05/17/90 16:32 PG 12 OF
4257.5

(ii) separate policies insuring individual Lots and Residences. If the Board elects to obtain individual policies for each Lot and Residence, the Board shall select such coverage after soliciting bids from a number of insurance carriers, in the interest of obtaining favorable coverage at a fair cost.

The Board of Directors, the Manager, and Declarant shall not be liable for failure to obtain any coverages required by this Article VII or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are available only at demonstrably unreasonable cost.

Section 7.2. Notice of Owners. The Board of Directors shall promptly furnish to each Owner written notice of the procurement of, subsequent change in, or termination of, insurance coverages obtained on behalf of the Association under this Article. The notice (which may be issued in the form of a subpolicy relating to a master policy, if the Board of Directors obtains a master policy), shall specify the insurance coverage in effect on the Owner's Lot. If the Board of Directors is unable or elects not to procure any insurance coverage contemplated by this Article, it shall promptly furnish notice of that fact to each affected Owner. In such event, the Owner shall promptly obtain insurance coverage for such Owner's Lot from an insurance company acceptable to the Board of Directors in its reasonable discretion. Any insurance policy obtained by an Owner in accordance with this Section 7.2 shall comply with all applicable sections of this Article.

Section 7.3. General Insurance Provisions. All such insurance coverage obtained in accordance with the terms of this Article shall be governed by the following provisions.

A. As long as Declarant owns any Lot, Declarant shall be protected by all such policies as an Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article VII shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such coverage be deemed to protect Declarant for (or waive any rights with respect to) warranty claims.

B. Depending upon the area within the Property, (whether Common Area, or one or more Lots) damaged or destroyed and covered by an insurance claim submitted on behalf of the Association, the deductible, if any, on any insurance policy purchased by the Board of Directors may be treated as a Common Expense payable from Annual Assessments or Special Assessments; or as an item to be paid from working capital reserves established by the Board of Directors; or alternatively, the Board of Directors may treat the expense as an assessment against an Owner whose Lot is specifically affected by the damage or whose negligence or willful act resulted in damage. The Association may enforce payment of any amount due from an individual Owner toward the deductible in accordance with Sections 9.6 and 9.7 below.

B-529 P-556 05/17/90 16:32 PG 13 OF
4257
010203

C. Insurance Premiums. Except as otherwise provided in this Declaration, insurance premiums for the insurance coverage provided by the Board of Directors pursuant to this Article shall be a Common Expense to be paid by regular Annual Assessments levied by the Association. The Board of Directors shall make appropriate allocations of the cost of any insurance carried by the Association for the benefit of a specific Owner as provided in Section 9.4 below.

Section 7.4. Physical Damage Insurance on Common Area. The Board of Directors shall obtain and maintain in full force and effect physical damage insurance on all insurable improvements within the Common Area, if any, in an amount equal to full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, and other items normally excluded from coverage). Such insurance shall afford protection against at least the following:

A. Loss or damage caused by fire and other hazards covered by the standard extended coverage endorsement, and caused by debris removal, demolition, vandalism, malicious mischief, windstorm, and water damage;

B. Such other risks as shall customarily be covered with respect to projects similar in construction, location, and use in Arrowhead at Vail.

If there are no improvements within the Common Area, no physical damage insurance need be obtained by the Association.

Section 7.5. Physical Damage Insurance on Residences. The Board of Directors (or, pursuant to Section 7.2 above, each of the Owners) shall also obtain and maintain in full force and effect physical damage insurance on the Residence and all other insurable improvements on each of the Lots. If the Board of Directors obtains such insurance as permitted under Section 7.1 above, then unless the Board of Directors directs otherwise, such insurance shall cover the fixtures initially installed in the Residences and replacements thereof up to the value of those initially installed by Declarant, but not including furniture, wall coverings, improvements, additions or other personal property supplied or installed by Owners, together with all heating equipment and other service machinery contained therein, all such insurance covering the interests of the Owners and their Mortgagees, as their interests may appear. The insurance shall be carried in an amount also equal to the full replacement value (defined and set forth in Section 7.4 above), without deduction for depreciation (such amount to be redetermined periodically with the assistance of the insurance company affording such coverage). Such insurance shall afford protection against the losses and risks enumerated in Section 7.4 above.

425716 B-529 P-556 05/17/90 16:32 PG 14 OF 35

7.6. Provisions Common to Physical Damage Insurance.

A. In contracting for the policy or policies of insurance obtained pursuant to Sections 7.4 and 7.5 above, the Board of Directors shall make reasonable efforts to secure coverage, as the Board deems advisable, which provides the following:

(i) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Declaration not to do so.

(ii) The following endorsements (or equivalent): (a) "cost of demolition;" (b) "contingent liability from operation of building laws or codes;" (c) "increased cost of construction;" and (d) "agreed amount" or elimination of co-insurance clause.

(iii) Periodic appraisals to determine replacement cost, as more fully explained in Section 7.6.B. below.

(iv) A provision that any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation so that the physical damage policy or policies purchased by the Board of Directors shall be deemed primary coverage and any individual Owners' policies shall be deemed excess coverage.

(v) A provision that no policy may be cancelled, invalidated, or suspended on account of any one or more individual Owners.

(vi) A provision that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Owner (including such Owner's tenants, servants, agents, invitees, and guests), any member of the Board of Directors, officer, or employee of the Association or the Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, the Manager, any Owner, or Mortgagee.

B. Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Board of Directors may deem advisable, the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the property (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage) subject to insurance carried by the Association, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Article.

C. A duplicate original or photocopy of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums and any notice issued under Section

425716 B-529 P-556 05/17/90 16:32 PG 15 OF 35

7.6.A(vi) above, shall be delivered by the insurer to any Mortgagee requesting the same, at least thirty days prior to expiration of the then current policy. The Mortgagee of a Residence shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Residence.

Section 7.7. Liability Insurance.

A. The Board of Directors shall obtain and maintain in full force and effect comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage insurance with such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Manager, each Owner, and the employees of the Association against any liability to the public or to the Owners (and their guests, invitees, tenants, agents and employees) arising out of or incident to the ownership or use of the Common Area. Such comprehensive policy of public liability insurance shall also cover, if applicable, contractual liability, liability for non-owned and hired automobiles, and, if applicable, bailee's liability, garagekeeper's liability, host liquor liability, employer's liability insurance, and such other risks as shall customarily be covered with respect to projects similar to Arrowhead at Vail in construction, location, and use.

B. If applicable under a "blanket" or "master" policy, such insurance shall also include a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to an action against another insured, and a "severability of interest" endorsement which shall preclude the insurer from denying liability coverage to an Owner because of negligent acts of the Association or another Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than $1,000,000.00 covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than $5,000,000.00.

C. At the election of the Board of Directors, the Board of Directors may also contract for comprehensive general liability insurance insuring each Owner with respect to the ownership and use of the Lots, as necessary or convenient to allow the Board of Directors, the Manager, and the Association to perform their respective duties in connection with the Exterior Maintenance Area. Notice of such coverage shall be given to the Owners as necessary to keep the Owners currently informed.

Section 7.8. Fidelity Insurance. To the extent obtainable at reasonable cost, fidelity bonds shall be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such bond shall be obtained for the Manager and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Association as an obligee and shall be written in an amount

425716 B-529 P-556 05/17/90 16:32 PG 16 OF 35

equal to at least 150% of the estimated annual operating expenses of the Association, including reserves. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 7.9. Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of this Article VII above shall be subject to the following provisions and limitations:

A. The named insured under any such policies shall include Declarant, until all the Lots have been conveyed, and the Association, as a trustee for the Owners and their Mortgagees, as their interests may appear, or the authorized representative of the Association (including any trustee with whom the Association may enter into an insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the "Insurance Trustee") who shall have exclusive authority to negotiate losses and receive payments under such policies;

B. In no event shall the insurance coverage obtained and maintained pursuant to such sections be brought into contribution with insurance purchased by the Owners or their Mortgagees;

C. The policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Owner (including an Owner's tenants, servants, agents, invitees, and guests) when such act or neglect is not within the control of the Association, or (ii) any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control;

D. The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be cancelled or substantially modified or reduced (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any First Mortgagee and all insureds named in the policies;

E. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Board of Directors, the Association, the Manager, and any Owner or their respective agents, employees, or tenants, and in the case of Owners, members of their households; and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

F. All policies shall be written with a company licensed to do business in Colorado and holding a rating of B/VI or better in the financial category as established by

425716 B-529 P-556 05/17/90 16:32 PG 17 OF 35

A.M. Best Company, Inc., if reasonably available, or, if not reasonably available, the most nearly equivalent rating.

Section 7.10. Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate personal liability insurance shall be maintained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.

Section 7.11. Workmen's Compensation Insurance. The Board of Directors shall obtain workmen's compensation or similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 7.12. Other Insurance. The Board of Directors may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 7.13. Insurance Obtained by Owners. If the Board of Directors (or its authorized agent) is unable or elects not to obtain the insurance coverage required by this Declaration, each Owner shall obtain such insurance for his Lot and Residence. Each Owner shall have the right to obtain insurance for such Owner's benefit, at such Owner's expense, covering the Owner's personal property and personal liability (except to the extent any such Lot is encumbered by an easement conveyed to the Association as Common Area or conveyed to the Master Association as common area under the Master Association Documents). In addition, an Owner may obtain such other and additional insurance coverage on the Lot and Residence as such Owner in the Owner's sole discretion shall conclude to be desirable. However, no such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board of Directors, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners, including Declarant, should Declarant be the Owner of any Lot.

The Board of Directors may require an Owner who purchases separate or additional insurance coverage for the Owner's Lot (other than coverage for the Owner's personal property) to file copies of such policies with the Association within 30 days after purchase of the coverage to eliminate potential conflicts with any policy carried by the Association.

.5716 B-529 P-556 05/17/90 16:32 PG 1 OF 35

ARTICLE VIII
INCIDENTS OF OWNERSHIP IN THE GREENS OF ARROWHEAD AT VAIL

Section 8.1. Inseparability. Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Lot and the Residence and other improvements thereon shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance respectively of the entire Lot, including each easement, license, and all other appurtenant rights created by law or by this Declaration.

Section 8.2. No Partition. The Common Area shall be owned by the Association, and no Owner, group of Owners, or the Association shall bring any action for partition or division of the Common Area.

Section 8.3. No Subdivision. No Lot shall be subdivided between or among the Owners of the Lot.

Section 8.4. Property Rentals. A Residence may be used for permanent or short-term occupancy by its Owner, its family, servants, agents, guests, invitees, and tenants, and such Owner shall be allowed to rent or arrange for rental of its Residence for any length of time, except that such Residence may not be used as an office or for any other commercial purpose.

ARTICLE IX
ASSESSMENTS

Section 9.1. Obligation. Declarant, for each Lot owned by Declarant, hereby covenants, and each Owner, by accepting a deed for a Lot, is deemed to covenant to pay to the Association (1) the Annual Assessments imposed by the Board of Directors as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Area and the Exterior Maintenance Area and to perform the functions of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (3) Default Assessments which may be assessed against a Lot for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

Section 9.2. Purpose of Assessments. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of The Greens of Arrowhead at Vail, for maintenance of the Exterior Maintenance Area, and for the improvement and maintenance of the Common Area, as more fully set forth in this Article below.

42571L B-529 P-556 05/17/90 16:32 PG 19 OF

Section 9.3. Annual Assessments. The Board of Directors of the Association may establish any reasonable system for collection periodically of Annual Assessments for Common Expenses, in advance or arrears, as deemed desirable and consistent with the Articles and Bylaws of the Association. Annual Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Board of Directors shall from time to time determine to be paid by all of the Owners. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the Common Area and Exterior Maintenance Area; expenses of management; taxes and special governmental assessments pertaining to the Common Area and Exterior Maintenance Area and insurance premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping, care of grounds, common lighting within the Common Area and Exterior Maintenance Area; routine repairs and renovations within the Common Area and Exterior Maintenance Area; wages; common water and utility charges for the Common Area and Exterior Maintenance Area; legal and accounting fees; management fees; expenses and liabilities incurred by the Association under or by reason of this Declaration; payment of any deficit remaining from a previous assessment period; and the creation of a reasonable contingency or other reserve or surplus fund for general, routine maintenance, repairs, and replacement of improvements within the Common Area and Exterior Maintenance Area on a periodic basis, as needed.

Annual Assessments shall be payable within 30 days after written notice of the amount due is given to the Owner. The omission or failure of the Association to fix the Annual 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 Annual Assessments in excess of the actual expenses incurred in any fiscal year.

Section 9.4. Apportionment of Annual Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Lots, subject to the following provisions. All expenses (including, but not limited to, costs of maintenance, repair, and replacement) relating to the Exterior Maintenance Area on fewer than all of the Lots shall be borne by the Owners of those affected Lots only. Further, the Board of Directors, with assistance of any company providing insurance for the benefit of the Owners under Article VII, shall determine the reasonable allocation to each Owner of the cost of premiums for the insurance carried for, and to be charged to, that particular Owner. The Assessments against any Lot owned by Declarant shall not commence before completion of construction of the Residence on the Lot. Issuance of a certificate of occupancy for the Residence shall be evidence of completion of construction, for the purposes of this Section.

Section 9.5. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Association may levy in any fiscal year one or more Special Assessments, payable over such a period as the Association may determine, for the purpose

.3716 B-529 P-556 05/17/90 16:32 PG 2 OF 35

00210

of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Area or External Maintenance Area, or for any other expense incurred or to be incurred as provided in this Declaration. This Section 9.5 shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners in the same proportion as provided for Annual Assessments in Article IX, Section 9.4, subject to the requirements that any extraordinary maintenance, repair, or restoration work to the Exterior Maintenance Area on fewer than all of the Lots shall be borne by the Owners of those affected Lots only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Residence or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than 30 days after such notice shall have been given.

Section 9.6. Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least 30 days prior to the due date.

Section 9.7. Effect of Nonpayment; Assessment Lien. Any Assessment installment, whether pertaining to an Annual, Special, or Default Assessment, which is not paid within 30 days after its due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

A. Assess a late charge for each delinquency in such amount as the Association deems appropriate;

B. Assess an interest charge from the date of delinquency at the yearly rate of two points above the prime rate charged by the Association's bank, or such other rate as the Board of Directors may establish;

C. Suspend the voting rights of the Owner during any period of delinquency;

D. Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;

425716 B-529 P-556 05/17/90 16:32 PG 21 OF

E. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and

F. File a statement of lien with respect to the Lot and proceed with foreclosure as set forth in more detail below.

Assessments chargeable to any Lot shall constitute a lien on such Lot, including the Residence and any other improvements on the Lot. To evidence the lien created under this Article IX, Section 9.7, the Association may, but shall not be required to, prepare a written notice setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued penalty on the indebtedness, (iv) the name of the Owner of the Lot, and (v) a description of the Lot. The notice shall be signed and acknowledged by the President or a Vice President of the Association or by the Manager, and the Association shall serve the notice upon the Owner by mail to the address of the Lot or to such other address as the Association may have in its files for such Owner. At least ten days after the Association mails the Owner such a notice, the Association may record the same in the office of the Clerk and Recorder of Eagle County, Colorado. Such lien for Assessments shall attach from the due date of the Assessment. Thirty days following the date the Association mails the notice, the Association may institute foreclosure proceedings against the defaulting Owner's Lot 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 attorneys' fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Lot at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 9.8. Personal Obligation. The amount of any Assessment chargeable against any Lot shall be a personal and individual debt of the Owner of same. No Owner may exempt himself from liability for the Assessment by abandonment of his Lot or by waiver of the use or enjoyment of all or any part of the Common Area. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorneys' fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 9.9. Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such Assessments, all successors to the fee simple title of a Lot, except as provided in Article IX, Section 9.10 below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses, and attorneys' fees against such Lot without prejudice to any such successor's right to recover from any prior Owner any amounts paid by such successor. This liability of a successor shall

42571b B-529 P-556 05/17/90 16:32 PG 22 OF 5

not be personal and shall terminate upon termination of such successor's fee simple interest in the Lot. In addition, such successor shall be entitled to rely on the statement of status of Assessments by or on behalf of the Association under Article IX, Section 9.12 below.

Section 9.10. Subordination of Lien. The lien of the Assessments provided for in this Declaration shall be subordinate to (a) the lien of real estate taxes and special governmental assessments, (b) the lien for all sums unpaid on a First Mortgage of record, including all unpaid obligatory advances as may be provided by such encumbrance, and (c) the lien for assessments pursuant to the Master Association Documents. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Colorado. No sale or transfer shall release a Lot from the lien of Assessments, except in the case of a sale or transfer of a Lot pursuant to a decree of foreclosure, by a public trustee in foreclosure, or by any other proceeding or deed in lieu of foreclosure for the purpose of enforcing a First Mortgage, which shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer. The amount of such extinguished lien may be reallocated and assessed to all Lots as a Common Expense at the direction of the Board of Directors. No sale or transfer shall relieve the purchaser or transferee of a Lot from liability for, or the Lot from the lien of, any Assessments made after the sale or transfer.

Section 9.11. Notice to Mortgagee. The Association shall report to any Mortgagee any unpaid Assessments remaining unpaid for longer than 60 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 notice of unpaid Assessments. Any Mortgagee holding a lien on a Lot may pay any unpaid Assessment payable with respect to such Lot, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Lot for the amounts paid with the same priority as the lien of the Mortgage.

Section 9.12. Statement of Status of Assessment Payment. Upon payment of a reasonable fee set from time to time by the Board of Directors and upon the written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Board of Directors 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 30 days, all unpaid Assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest in the Lot 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 if the statement is not furnished within the 30-day period provided for above, and if after that period an additional written request is made by such purchaser and is not complied with within 10 days and the purchaser subsequently acquires the Lot.

425716 -529 R-556 05/17/90 16:32 PG 23 OF 3

Section 9.13. Capitalization of the Association. Upon acquisition of record title to a Lot from Declarant or any seller after Declarant, each Owner shall contribute to the working capital and reserves of the Association an amount equal to one-fourth of the amount of the Annual Assessment determined by the Board of Directors for that Lot for the year in which the Owner acquired title.

ARTICLE X
ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of dealing with any improvements covered by insurance written in the name of the Association pursuant to Article VII, upon their damage or destruction as provided in Article XI, or a complete or partial taking as provided in Article XII below. Acceptance by a grantee of a deed or other instrument of conveyance from Declarant or any other Owner conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right, and power to make, execute, and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XI
DAMAGE OR DESTRUCTION

Section 11.1. The Role of the Board of Directors. Except as provided in Section 11.6, in the event of damage to or destruction of all or part of any Residence, Common Area improvement, or other property covered by insurance written in the name of the Association under Article VII, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the damaged property, including, without limitation, any damaged Residences and the floor coverings, fixtures, and appliances initially installed therein by Declarant; any replacements thereof installed by the Owners up to the value of those initially installed by Declarant, but not including any furniture, furnishings, fixtures, equipment, or other personal property supplied or installed by the Owners in the Residences unless covered by insurance obtained by the Association. (The property insured by the Association pursuant to Article VII is sometimes referred to as the "Association-Insured Property.") Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of all but the Exterior Maintenance Area of a Residence.

Section 11.2. Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board of Directors shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and

00234

4_5716 B-529 P-556 05/17/90 16:32 PG 2 OF 35

reconstruction. "Repair and reconstruction" as used in this Article XI shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Board of Directors or the Insurance Trustee, if any, determines to be necessary.

Section 11.3. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 11.4. Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement, and reconstruction of the Association-Insured Property.

If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement, or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Article IX, Section 9.5, levy, assess, and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. However, if the aggregate of any Special Assessment for expenses relating to the Common Area exceeds the greater of (i) 10% of the gross annual budget for the Association for that year or (ii) $10,000.00, then the Special Assessment shall be subject to the approval of 65% of the votes of the Class B Member(s), as long as the Class B membership exists, and 65% of the votes of the Class A Members who are subject to the Special Assessment and who attend a meeting for the purpose of approval of such Special Assessment. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.

Section 11.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in equal

425716 B-529 P-556 05/17/90 16:32 PG 25 OF 35

(11,215

shares per Lot benefitted by the Common Area or Exterior Maintenance Area in question, first to the Mortgagees and then to the Owners, as their interests appear.

Section 11.6. Decision Not to Rebuild Common Area. If Owners representing at least 67 percent of the total allocated votes in the Association (other than Declarant) and 67 percent of the Mortgagees holding First Mortgages (based on 1.0 vote for each Mortgage which encumbers a Lot) agree in writing not to repair and reconstruct improvements within the Common Area and if no alternative improvements are authorized, then and in that event the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in equal shares per Lot benefitted by the Common Area prior to the destruction, first to the Mortgagees and then to the Owners, as their interests appear.

ARTICLE XII
CONDEMNATION

Section 12.1. Rights of Owners. Whenever all or any part of the Common Area shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Area is conveyed in lieu of a taking under threat of condemnation by the Board of Directors acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 12.2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for those Owners for whom use of the Common Area was conveyed, and the award shall be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty days after such taking Declarant and Owners who represent at least 67 percent of the Class A votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available for such restoration or replacement in accordance with plans approved by the Board of Directors and the Design Review Committee operating under the Master Association Documents. If such improvements are to be repaired or restored, the provisions in Article XI above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration

425716 B-529 P-556 05/17/90 16:32 PG 26 OF

or replacement is completed, then such award or net funds shall be distributed in equal shares per Lot among the Owners, first to the Mortgagees and then to the Owners, as their interests appear.

Section 12.3. Complete Condemnation. If all of the Property is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Area shall be distributed as provided in Article XI, Section 11.5 above.

ARTICLE XIII
COVENANTS RELATING TO THE MASTER ASSOCIATION

Section 13.1. Master Association Matters. Each Owner, by accepting a deed to a Lot, recognizes that (a) the Property is subject to the Master Association Documents, (b) by virtue of his ownership, he has become a member of the Master Association, (c) such Owner is subject to any rules and regulations of the Master Association, and (d) pursuant to the Master Declaration, an Owner is entitled to all of the benefits and subject to all of the burdens of such membership. Each Owner, by accepting a deed to a Lot, acknowledges that he has received a copy of the articles of incorporation and bylaws of the Master Association. Owner agrees to perform all of his obligations as a member of the Master Association as they may from time to time exist, including, but not limited to, the obligation to pay common, civic, and special assessments as required under the Master Association Documents.

Section 13.2. Enforcement of Master Declarations. The Association shall have the power, subject to the primary power of the board of directors of the Master Association, to enforce the covenants and restrictions contained in the Master Declaration, but only as said covenants and restrictions relate to the Property, and to collect regular, special, and default Assessments on behalf of the Master Association.

Section 13.3. Architectural Control.

A. No exterior addition to or change or alteration to the Residence shall be made until the plans and specifications showing the nature, kind, shape, height, color, 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 Design Review Committee of the Master Association and the Board of Directors or by an architectural committee composed of three or more representatives appointed by the Board of Directors.

B. After receiving the approval of the Board of Directors, the Owner required to obtain such approval shall thereafter obtain all other approvals as may be required

425716 B-529 P-556 05/17/90 16:32 PG 27 OF 35

by the Master Association Documents and by any governmental or quasi-governmental body having jurisdiction over the Property.

Section 13.4. General Reservations. Subject to the Master Declaration, Declarant reserves (a) the right to dedicate any access roads and streets serving the Property for and to public use, to grant to the District a road easement with respect thereto and to allow such street or road to be used by owners of adjacent land; and (b) the right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of parking and/or recreational facilities, which may or may not be a part of the Property for the benefit of the Owners and/or the Association.

Section 13.5. Limit on Timesharing. No Owner of any Lot shall offer or sell any interest in such Lot under a "timesharing" or "interval ownership" plan, or any similar plan without the specific prior written approval of the Master Association and Arrowhead at Vail and Declarant (for so long as Declarant remains a Class B member of the Association).

ARTICLE XIV
EXPANSION

Section 14.1. Reservation of Right to Expand. Declarant reserves the right to expand the Property to include additional Common Area.

Section 14.2. Supplemental Declarations and Supplemental Plats. Such expansion may be accomplished by the filing for record by Declarant in the office of the Clerk and Recorder for Eagle County, Colorado, no later than December 31, 2010, one or more Supplemental Declarations setting forth the real property, if any, to be included in the expansion, together with any covenants, conditions, restrictions, and easements particular to such property. The expansion may be accomplished in stages by successive supplements or in one supplement expansion.

Section 14.3. Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Property and Common Area subject to this Declaration as so expanded. For example, any reference to this Declaration shall mean this Declaration as supplemented. The recordation in the records of Eagle County, Colorado, of a supplemental plat or plats incident to any expansion shall operate automatically to grant, transfer, and convey to the Association the new Common Area added to the Property as the result of such expansion.

Section 14.4. Declaration Operative on Additional Common Area. The additional Common Area shall be subject to all of the terms and conditions of this Declaration and of any Supplemental Declaration, upon placing the supplemental plat(s)

425716 B-529 P-556 05/17/90 16:32 PG 27 OF 35

depicting the expansion property and Supplemental Declaration(s) of public record in the real estate records of Eagle County, Colorado.

ARTICLE XV
WITHDRAWAL

Section 15.1. Right of Declarant. Declarant reserves the right, to be exercised at any time or times before December 31, 2010, to withdraw from the provisions of this Declaration any portion of the Property which Declarant has not sold by recording an amendment to this Declaration describing the portion of the Property withdrawn and describing the impact of the withdrawal on the balance of the Property, including the change in voting percentages.

ARTICLE XVI
MORTGAGEES RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of First Mortgages on Lots. To the extent applicable, necessary, or proper, the provisions of this Article XVI apply to this Declaration and also to the Articles and Bylaws of the Association.

Section 16.1. Approval Requirements. Unless at least 67 percent of the Mortgagees holding First Mortgages against any portion of the Property, (based on one vote for each Mortgage owned) and at least 67 percent of the Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or part of the Common Area (provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Area shall not be deemed a transfer within the meaning of this clause);

B. Change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner;

C. By act or omission change, waive, or abandon any scheme of regulations or their enforcement pertaining to the architectural design, appearance or maintenance of the Common Area or the Exterior Maintenance Area;

D. Fail to maintain fire and extended coverage on insurable property on the Common Area in an amount not less than 100 percent of current replacement cost; or

425716 -529 P-556 05/17/90 16:32 PG 29 OF 35

E. Use hazard insurance proceeds for losses to improvements in the Common Area for other than the repair, replacement, or reconstruction of such property.

Section 16.2. Title Taken by Mortgagee. Any Mortgagee holding a First Mortgage of record against a Lot who obtains title to the Lot and any improvements on the Lot pursuant to remedies exercised in enforcing the Mortgage, including foreclosure of the Mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Lot (i) is acquired or (ii) could have been acquired under the statutes of Colorado governing foreclosures, whichever is earlier. Such Mortgagee will not be liable for any unpaid dues or charges attributable to the Lot which accrue prior to the date the Mortgagee acquired title or could have acquired title under the Colorado foreclosure statutes, whichever is earlier. Sale or transfer of any Lot pursuant to a deed in lieu of foreclosure for the purpose of enforcing a First Mortgage shall extinguish the lien of such Assessments as to installments which became due prior to such sale or transfer, and the amount of the extinguished lien may be reallocated and assessed to all Lots, as a Common Expense at the direction of the Board of Directors.

Section 16.3. Right to Pay Taxes and Charges. Mortgagees who hold First Mortgages against Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Area, and Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 16.4. Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Lots for losses to, or taking of, all or part of the Common Area, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any Mortgagee who is a beneficiary of a First Mortgage against the Lot.

ARTICLE XVII
DURATION OF COVENANTS AND AMENDMENT

Section 17.1. Term. The covenants and restrictions of this Declaration shall run with and bind the land until January 1, 2010, after which time they shall be automatically extended for successive periods of time of 10 years each, subject to the following provisions.

Section 17.2. Amendment. This Declaration, or any provision of it, may be amended at any time during the first 20-year period by an instrument signed by Owners holding not less than 60% of the votes possible to be cast under this Declaration and signed by Declarant (during the period of Class B membership), and at any time thereafter by an instrument signed by Owners holding not less than 60% of the votes possible to be cast under

42. 16 B-529 P-556 05/17/90 16:32 PG 30 35

this Declaration. Any amendment must be recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying that signatures of a sufficient number of Owners approving the amendment are on file in the office of the Association.

Section 17.3. When Modifications Permitted. Notwithstanding the provisions of Section 17.2 above or Section 17.5 below, no termination, extension, modification, or amendment of this Declaration made prior to December 31, 1995, shall be effective unless the prior written approval of Declarant is first obtained.

Section 17.4. Amendment by Declarant. Declarant, acting alone, reserves to itself the sole right and power to modify and amend this Declaration by executing and recording an instrument setting forth the amendment. This right and power of the Declarant shall be effective only with respect to any amendments recorded on or before December 31, 1995.

Section 17.5. Revocation. This Declaration shall not be revoked, except as provided in Article XII regarding total condemnation, without the consent of all of the Owners evidenced by a written instrument duly recorded.

ARTICLE XVIII
GENERAL PROVISIONS

Section 18.1. Enforcement. Except as otherwise provided in this Declaration, the Board of Directors, Declarant, or any Owner shall have the right to enforce, by a 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 Board of Directors of the Association, Declarant, or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Section 18.2. 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.

Section 18.3. Rule Against Perpetuities. Notwithstanding anything in this Declaration to the contrary, the creation of any interest under this Declaration shall vest, if at all, within the period of time measured by the life of the survivor of the now living children of Prince Charles, Prince of Wales, plus 21 years.

425.-6 B-529 P-556 05/17/90 16:32 PG 31 OF 35

Section 18.4. Conflicts Between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

WINDEMERE DEVELOPMENT CORPORATION, a Colorado corporation

ATTEST:

William E. Jennings
Secretary

By: James P. Thompson
Its: PRESIDENT

STATE OF COLORADO)
) ss.
COUNTY OF Eagle)

The foregoing instrument was acknowledged before me this 26th day of April, 1990, by James P. Thompson as President and William E. Jennings as _____ Secretary of Windemere Development Corporation, a Colorado corporation.

WITNESS my hand and official seal.

My commission expires: April 26, 1991

(SEAL)

Barbara J. Johnson
Notary Public

Barbara J. Johnson
P. O. Box 155
Edwards, CO 81632

425716 B-529 P-556 05/17/90 16:32 PG 31 OF 35

JOINDER BY LIENOR

The undersigned for itself and its successors and assigns approves the foregoing Declaration of Covenants, Conditions, Restrictions and Easements of the Greens of Arrowhead at Vail and agrees that no foreclosure or other enforcement of any remedy pursuant to any lien held by the undersigned and encumbering the property at any time subject to this Declaration shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by this Declaration.

Dated: May 4, 1990.

THE FIRST NATIONAL BANK OF BOSTON

By: Denise Delaney
Its: V P

COMMONWEALTH
~~STATE~~ OF MA) RMB
) SS.
COUNTY OF SUFFOLK)

The foregoing instrument was acknowledged before me this 4TH day of May, 1990, by DENISE DELANEY as VICE PRES. of The First National Bank of Boston.

WITNESS my hand and official seal.

My commission expires RINA M. BOZZOTTO Notary Public My Commission Expires 3-14-97.

Rina M. Bozzotto
Notary Public

[SEAL]

425716 B-529 P-556 05/17/90 16:32 PG 33 OF 35

EXHIBIT A

Description of Property

Lots 1 through 43, The Greens of Arrowhead at Vail, according to the plat recorded on April 2 1990, in Book 525, at Page 934, County of Eagle, State of Colorado.

425716 B-529 P-556 05/17/90 16:32 PG 37 OF 35

EXHIBIT B

Tract A, The Greens of Arrowhead at Vail, according to the plat recorded on April 2 1990, in Book 525, at Page 934, County of Eagle, State of Colorado.

425716 B-529 P-556 05/17/90 16:32 PG 35 OF 35

612706 B-616 P-165 02/17/93 10:28A PG 1 OF 5 REC DOC
Sara J. Fisher Eagle County Clerk & Recorder 25.00

FIRST SUPPLEMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF THE GREENS OF ARROWHEAD AT VAIL

This First Supplement of Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail (the "First Supplement of Declaration") is made as of August 10, 1993 by Windemere Development Corporation, a Colorado corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant has heretofore caused to be recorded a Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail, on May 17, 1990 in Book 529 at Page 556 (Reception No. 425716) and recorded a First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail on 8-17, 1993, in Book 616 at Page 635 (Reception No. 512705), each in the Eagle County, Colorado real property records (collectively, the "Declaration").

WHEREAS, in Article XIV of the Declaration, Declarant expressly reserved for itself the right to expand the Property (all capitalized terms used herein shall have the meanings as defined in the Declaration, unless otherwise defined or modified herein) by annexing and submitting additional Common Area by one or more duly recorded Supplemental Declarations.

WHEREAS, Declarant wishes to submit to the Property the property described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Additional Common Area") and which consists of real property hereby incorporated into the Common Area.

WHEREAS, because the Additional Common Area has previously been platted in a plat of The Greens of Arrowhead at Vail recorded in the real property records of Eagle County, Colorado, Section 14.2 of the Declaration requires that no supplemental plat be recorded to submit the Additional Common Area to the Declaration.

WHEREAS, Declarant wishes to reserve the right for itself to further expand the Property in the future to further expand the Common Area.

NOW, THEREFORE, Declarant hereby declares that both the Property and the Additional Common Area shall be held, sold and conveyed subject to the following Covenants, Conditions, Restrictions and Easements and the Covenants, Conditions,

SKLD LG 172.20 29.91 EG 512705-1993.001

Restrictions and Easements contained in the Declaration, which are for the purpose of protecting the value and desirability of the Property and the Additional Common Area and which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title, or interest in all or any part of the Property or the Additional Common Area.

1. General. The terms and provisions contained in this First Supplement to Declaration shall be in addition and supplemental to the terms and provisions contained in the Declaration. All terms and provisions of the Declaration, including all definitions, except those terms and provisions specifically modified herein, shall be applicable to this First Supplement to Declaration and to the Additional Common Area. The definitions used in the Declaration are hereby expanded and shall hereafter and in the Declaration be deemed to encompass and refer to the Property as defined in the Declaration and the Additional Common Area as defined herein. For example, reference to the "Property" shall mean both the Property and the Additional Common Area, reference to the "Declaration" shall mean the Declaration as supplemented by this First Supplement to Declaration and reference to "Common Area" shall mean the Common Area as expanded by this First Supplement to Declaration. All ownership and other rights, obligations and liabilities of owners of Lots are hereby modified as described herein.

2. Annexation of Additional Common Area. The Additional Common Area is hereby and upon the recording of this First Supplement to Declaration shall be annexed into the Property and the Additional Common Area shall be subject to all of the covenants, conditions, restrictions and easements as contained in the Declaration.

3. Effect of Expansion. The Common Area is hereby expanded to include the Additional Common Area. This First Supplement to Declaration shall operate automatically to grant, transfer and convey to the Association the Additional Common Area. Notwithstanding any inclusion of the Additional Common Area under the Declaration, each Owner shall remain fully liable with respect to his obligation for the payment of the Common Expenses of the Association, including the expenses for the Additional Common Area, costs and fees, if any. The recording of this First Supplement to Declaration shall not alter the amount of the Common Expenses assessed to a Lot prior to such recording.

4. Description of Lots. After this First Supplement to Declaration has been filed for record in the office of the Clerk and Recorder of Eagle County, Colorado, any contract of sale, deed, lease, Mortgage, will or other instrument affecting a Lot shall describe it by its Lot number, The Greens of Arrowhead at Vail,

COPY

County of Eagle, State of Colorado, according to the Plat thereof recorded April 2, 1990, in Book 625 at Page 934 and amended in an Amended plat recorded July 24, 1992 in Book 585 at Page 461, and the Declaration recorded May 17, 1993, in Book 529 at Page 556, and the First Amendment to Declaration recorded August 17, 1993, in Book 616 at Page 632, and the First Supplement to Declaration recorded August 17, 1993 in Book 616 at Page 633, in the records of the Clerk and Recorder of Eagle, County, Colorado.

5. Reservation. Declarant hereby reserves the right for itself to further expand the Property in the future to further expand the Common Area.

6. 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.

7. Conflicts Between Documents. In case of conflict between the Declaration as supplemented hereby and the Articles and the Bylaws of the Association, the Declaration as supplemented shall control.

WINDERMERE DEVELOPMENT
CORPORATION, a Colorado Corporation
P.O. Box 69
Edwards, CO 81632

BY: _____

ITS: _____

SKLD LG 172.20.29.91 EG 5127(6-1993.003

STATE OF COLORADO }
} ss.
COUNTY OF EAGLE }

The foregoing instrument was acknowledged before me this 10th day of August, 1993, by: James P. Thompson as President of Windemere Development Corporation, a Colorado Corporation.

My commission expires: MY COMMISSION EXPIRES 9/12/93

Notary Public

D. THOMPSON NOTARY PUBLIC STATE OF COLORADO

Fourdcpgr.4s

00448

512706 B-616 P-633 08/17/93 10:29A PG 5 OF 5

EXHIBIT A

Legal Description

Tracts A and B as shown on the Amended Final Plat, Lots 10 Thru 13, 35 Thru 42 and Tracts A, B, C, 1 & 2, The Greens of Arrowhead at Vail and Lots 26 & 27, Arrowhead at Vail Filing No. 20 recorded July 24, 1992, in Book 585 at Page 481, Eagle County, Colorado.

COPY

SKLD LG 172.20.29.91 EG 512706-1993.005

SECOND SUPPLEMENT TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS OF
THE GREENS OF ARROWHEAD AT VAIL

This Second Supplement to Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail (the "Second Supplement to Declaration") is made as of February 2, 1995 by Windemere Development Corporation, a Colorado corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant has heretofore caused to be recorded a Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail, on May 17, 1990 in Book 529 at Page 556 (Reception No. 425716) and recorded a First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail on August 17, 1993, in Book 616 at Page 632 (Reception No. 512705), and recorded a First Supplement to Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail on August 17, 1993, in Book 616 at Page 633 (Reception No. 512706) each in the Eagle County, Colorado real property records (collectively, the "Declaration").

WHEREAS, in Article XIV of the Declaration, Declarant expressly reserved for itself the right to expand the Property (all capitalized terms used herein shall have the meanings as defined in the Declaration, unless otherwise defined or modified herein) by annexing and submitting additional Common Area by one or more duly recorded Supplemental Declarations.

WHEREAS, Declarant wishes to submit to the Property the property described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Additional Common Area") and which consists of real property hereby incorporated into the Common Area.

WHEREAS, because the Additional Common Area has previously been platted in a plat of The Greens of Arrowhead at Vail recorded in the real property records of Eagle County, Colorado, Section 14.2 of the Declaration requires that no supplemental plat be recorded to submit the Additional Common Area to the Declaration.

WHEREAS, Declarant wishes to reserve the right for itself to further expand the Property in the future to further expand the Common Area.

NOW, THEREFORE, Declarant hereby declares that both the Property and the Additional Common Area shall be held, sold and conveyed subject to the following Covenants, Conditions, Restrictions and Easements and the Covenants, Conditions, Restrictions and Easements contained in the Declaration, which are

262 B-661 P-234 02/10/95 03:21P pg
a J. Fisher Eagle C

for the purpose of protecting the value and desirability of the Property and the Additional Common Area and which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title, or interest in all or any part of the Property or the Additional Common Area.

1. General. The terms and provisions contained in this Second Supplement to Declaration shall be in addition and supplemental to the terms and provisions contained in the Declaration. All terms and provisions of the Declaration, including all definitions, except those terms and provisions specifically modified herein, shall be applicable to this Second Supplement to Declaration and to the Additional Common Area. The definitions used in the Declaration are hereby expanded and shall hereafter and in the Declaration be deemed to encompass and refer to the Property as defined in the Declaration and the Additional Common Area as defined herein. For example, reference to the "Property" shall mean both the Property and the Additional Common Area, reference to the "Declaration" shall mean the Declaration as supplemented by this Second Supplement to Declaration and reference to "Common Area" shall mean the Common Area as expanded by this Second Supplement to Declaration. All ownership and other rights, obligations and liabilities of owners of Lots are hereby modified as described herein.

2. Annexation of Additional Common Area. The Additional Common Area is hereby and upon the recording of this Second Supplement to Declaration shall be annexed into the Property and the Additional Common Area shall be subject to all of the covenants, conditions, restrictions and easements as contained in the Declaration.

3. Effect of Expansion. The Common Area is hereby expanded to include the Additional Common Area. This Second Supplement to Declaration shall operate automatically to grant, transfer and convey to the Association the Additional Common Area. Notwithstanding any inclusion of the Additional Common Area under the Declaration, each Owner shall remain fully liable with respect to his obligation for the payment of the Common Expenses of the Association, including the expenses for the Additional Common Area, costs and fees, if any. The recording of this Second Supplement to Declaration shall not alter the amount of the Common Expenses assessed to a Lot prior to such recording.

4. Description of Lots. After this Second Supplement to Declaration has been filed for record in the office of the Clerk and Recorder of Eagle County, Colorado, any contract of sale, deed, lease, Mortgage, will or other instrument affecting a Lot shall describe it by its Lot number, The Greens of Arrowhead at Vail, County of Eagle, State of Colorado, according to the Plat thereof recorded April 2, 1990, in Book 525 at Page 934 and amended in an Amended plat recorded July 24, 1992, in Book 585 at Page 481, and

the Declaration recorded May 17, 1990, in Book 529 at Page 556, and the First Amendment to Declaration recorded August 17, 1993, in Book 616 at Page 632, and the First Supplement to Declaration recorded August 17, 1993 in Book 616 at Page 633, and the Second Supplement to Declaration recorded 2-10, 1995, in Book 661 at Page 234 in the records of The Clerk and Recorder of Eagle, County, Colorado.

5. Reservation. Declarant hereby reserves the right for itself to further expand the Property in the future to further expand the Common Area.

6. 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.

7. Conflicts Between Documents. In case of conflict between the Declaration as supplemented hereby and the Articles and the Bylaws of the Association, the Declaration as supplemented shall control.

WINDEMERE DEVELOPMENT
CORPORATION, a Colorado Corporation
P.O. Box 69
Edwards, CO 81632

By: [signature]

Its: VICE - PRESIDENT

STATE OF COLORADO }
} ss.
COUNTY OF EAGLE }

The foregoing instrument was acknowledged before me this 2nd day of February, 1995, by: James P. Thompson as Vice-President of Windemere Development Corporation, a Colorado Corporation.

My commission expires: My Commission Expires 9/12/97

Isabel D. Thompson
Notary Public

ISABEL D. THOMPSON NOTARY PUBLIC OF COLORADO

/scsupgr.dd

557262 B-661 P-234 02/10/95 03:21P PG 4 OF 5

EXHIBIT A

Legal Description

Tract C as shown on the Fourth Amendment to the Greens of Arrowhead at Vail, resubdivision of Lot 12, Amended Final Plat, Lots 10 Through 13, 35 Through 42 and Tracts A, B, C, 1 & 2, The Greens of Arrowhead at Vail and Lots 26 & 27, Arrowhead at Vail Filing No. 20 recorded November 9, 1993, in Book 624 at Page 487, Eagle County, Colorado.

557262 B-661 P-234 02/10/95 03:21P PG 5 OF 5

38137

51706 B-810 P-572 08/17/91 1032A PG 1 OF 3
Bara J. Pichet Eagle County Clerk & Recorder REC DOC
16.00

15- (1)

FIRST AMENDMENT TO
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR
THE GREENS OF ARROWHEAD AT VAIL

This First Amendment to Declaration is made this 10th day of August, 1991, by Windemere Development Corporation, a Colorado corporation (the "Declarant"), and constitutes an amendment to the Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail recorded on May 17, 1990, in Book 529 at Page 556 in the Office of the Clerk and Recorder of Eagle County, Colorado (the "Declaration").

WITNESSETH:

WHEREAS, the Declaration created and defined certain covenants, conditions, restrictions and easements for The Greens of Arrowhead at Vail;

WHEREAS, pursuant to Section 17.4 of the Declaration, the Declarant may, acting alone, amend the Declaration at any time and from time to time prior to December 31, 1995 by an instrument executed by Declarant and recorded in the real property records of Eagle County, Colorado;

WHEREAS, Declarant desires to amend the Declaration to modify certain provisions and update the Declaration as hereafter provided.

NOW, THEREFORE, in accordance with Section 17.4 of the Declaration, the Declaration is hereby amended as follows:

1. Section 14.2, of the Declaration is hereby amended by adding at the end thereof the following:

> If the real property becoming subject to the covenants, conditions and restrictions contained in this Declaration by reason of a recorded Supplemental Declaration has not been previously platted in a plat recorded in the real property records of Eagle County, Colorado, a Supplemental Plat depicting such Expansion Property shall be recorded concurrently with the Supplemental Declaration.

2. Section 14.3, of the Declaration is hereby deleted in its entirety and in lieu thereof a new Section 14.3, is hereby

CG11.7

512706 B-616 P-633 08/17/93 10:29A PG 1 OF 5 REC DOC
Sara J. Fisher Eagle County Clerk & Recorder 25.00

FIRST SUPPLEMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF THE GREENS OF ARROWHEAD AT VAIL

This First Supplement of Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail (the "First Supplement of Declaration") is made as of August 10, 1993 by Windemere Development Corporation, a Colorado corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant has heretofore caused to be recorded a Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail, on May 17, 1990 in Book 529 at Page 556 (Reception No. 425716) and recorded a First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements of The Greens of Arrowhead at Vail on 8-17, 1993, in Book 416 at Page 632 (Reception No. 512705), each in the Eagle County, Colorado real property records (collectively, the "Declaration").

WHEREAS, in Article XIV of the Declaration, Declarant expressly reserved for itself the right to expand the Property (all capitalized terms used herein shall have the meanings as defined in the Declaration, unless otherwise defined or modified herein) by annexing and submitting additional Common Area by one or more duly recorded Supplemental Declarations.

WHEREAS, Declarant wishes to submit to the Property the property described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Additional Common Area") and which consists of real property hereby incorporated into the Common Area.

WHEREAS, because the Additional Common Area has previously been platted in a plat of The Greens of Arrowhead at Vail recorded in the real property records of Eagle County, Colorado, Section 14.2 of the Declaration requires that no supplemental plat be recorded to submit the Additional Common Area to the Declaration.

WHEREAS, Declarant wishes to reserve the right for itself to further expand the Property in the future to further expand the Common Area.

NOW, THEREFORE, Declarant hereby declares that both the Property and the Additional Common Area shall be held, sold and conveyed subject to the following Covenants, Conditions, Restrictions and Easements and the Covenants, Conditions,

001145

Restrictions and Easements contained in the Declaration, which are for the purpose of protecting the value and desirability of the Property and the Additional Common Area and which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title, or interest in all or any part of the Property or the Additional Common Area.

1. General. The terms and provisions contained in this First Supplement to Declaration shall be in addition and supplemental to the terms and provisions contained in the Declaration. All terms and provisions of the Declaration, including all definitions, except those terms and provisions specifically modified herein, shall be applicable to this First Supplement to Declaration and to the Additional Common Area. The definitions used in the Declaration are hereby expanded and shall hereafter and in the Declaration be deemed to encompass and refer to the Property as defined in the Declaration and the Additional Common Area as defined herein. For example, reference to the "Property" shall mean both the Property and the Additional Common Area, reference to the "Declaration" shall mean the Declaration as supplemented by this First Supplement to Declaration and reference to "Common Area" shall mean the Common Area as expanded by this First Supplement to Declaration. All ownership and other rights, obligations and liabilities of owners of Lots are hereby modified as described herein.

2. Annexation of Additional Common Area. The Additional Common Area is hereby and upon the recording of this First Supplement to Declaration shall be annexed into the Property and the Additional Common Area shall be subject to all of the covenants, conditions, restrictions and easements as contained in the Declaration.

3. Effect of Expansion. The Common Area is hereby expanded to include the Additional Common Area. This First Supplement to Declaration shall operate automatically to grant, transfer and convey to the Association the Additional Common Area. Notwithstanding any inclusion of the Additional Common Area under the Declaration, each Owner shall remain fully liable with respect to his obligation for the payment of the Common Expenses of the Association, including the expenses for the Additional Common Area, costs and fees, if any. The recording of this First Supplement to Declaration shall not alter the amount of the Common Expenses assessed to a Lot prior to such recording.

4. Description of Lots. After this First Supplement to Declaration has been filed for record in the office of the Clerk and Recorder of Eagle County, Colorado, any contract of sale, deed, lease, Mortgage, will or other instrument affecting a Lot shall describe it by its Lot number, The Greens of Arrowhead at Vail,

001.46

County of Eagle, State of Colorado, according to the Plat thereof recorded April 2, 1990, in Book 525 at Page 934 and amended in an Amended plat recorded July 24, 1992, in Book 585 at Page 481, and the Declaration recorded May 17, 1990, in Book 529 at Page 556, and the First Amendment to Declaration recorded August 17, 1993, in Book 616 at Page 632 and the First Supplement to Declaration recorded August 17, 1993 in Book 616 at Page 633, in the records of The Clerk and Recorder of Eagle, County, Colorado.

5. Reservation. Declarant hereby reserves the right for itself to further expand the Property in the future to further expand the Common Area.

6. 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.

7. Conflicts Between Documents. In case of conflict between the Declaration as supplemented hereby and the Articles and the Bylaws of the Association, the Declaration as supplemented shall control.

00117

WINDEMERE DEVELOPMENT
CORPORATION, a Colorado Corporation
P.O. Box 69
Edwards, CO 81632

By: _____

Its: President

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 10th day of August, 1993, by: James P. Thompson as President of Windemere Development Corporation, a Colorado Corporation.

My commission expires: MY COMMISSION EXPIRES 9/1/1994

Notary Public

/firaupgr.do

001.15

EXHIBIT A

Legal Description

Tracts A and B as shown on the Amended Final Plat, Lots 10 Thru 13, 35 Thru 42 and Tracts A, B, C, 1 & 2, The Greens of Arrowhead at Vail and Lots 26 & 27, Arrowhead at Vail Filing No. 20 recorded July 24, 1992, in Book 585 at Page 481, Eagle County, Colorado.

601-19