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**DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR WILLOW SPRINGS
(BLOCK 3)**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR WILLOW SPRINGS (BLOCK 3) is made this 4th day of February, 1986, by WILLOW SPRINGS ENTERPRISES, INC., a Colorado Corporation.

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DEFINITIONS

Unless otherwise provided herein, the following words and terms in use in this Declaration or in any supplement or amendment hereto shall have the following meaning:

1. "Declaration" shall mean and refer to this entire Declaration of Covenants, Conditions and Restrictions for Willow Springs (Block 3), and the exhibits attached hereto, and any amendment or supplement hereto made subsequent to the date hereof.
2. "Master Declaration" shall mean and refer to that certain Master Declaration of Covenants, Conditions and Restrictions for Willow Springs (Blocks 1 through 8, Blocks 10 and 11 and Open Space), which has been previously recorded on 5-7-85 at reception # 85042522.
3. "Declarant" shall mean and refer to Willow Springs Enterprises, Inc., a Colorado corporation together with any one or more successors or assigns.
4. "Properties" shall mean and refer to the real property described in Exhibit "A", attached hereto, made a part hereof and incorporated herein by reference, and shall further refer to such additional real property as shall hereafter be annexed and subjected to this Declaration by amended or supplemental Declaration.
5. "Planned Development" shall mean and refer to the Planned Development of Willow Springs (formerly known as the Planned Development of Willow Springs Country Club) according to the Official Development Plan recorded in Official Development Plan Book 3 at Pages 29-31 on May 15, 1973, as amended by the Amended Official Development Plan recorded in Official Development Plan Book 6 at Pages 51-52 on March 20, 1974, and as further amended by the Amended Official Development Plan recorded in Official Development Plan Book 8, at Pages 33-35 on January 27, 1975, and as further amended by the Willow Springs Amendment No. 2 Official Development Plan, recorded at Reception No. 80088996, on November 24, 1980, and as same may be further amended from time to time.
6. "Open Space" shall mean and refer to that part of the Planned Development defined as "Open Space" in the Master

Declaration.

7. "Country Club" shall mean and refer to a certain club which shall be owned and operated by the Declarant or its successors, assigns or lessees and which shall have the power to operate and maintain the Open Space and the recreational facilities which are now constructed or shall hereafter be constructed thereon, and to regulate the recreational activities permitted on the Open Space.

8. "Block 3" shall mean and refer to Block 3 as described in Exhibit "A" attached hereto, made a part hereof and incorporated herein by reference.

9. "Block 3 Association" shall mean and refer to Willow Springs Block 3 Property Owners Association, Inc., a Colorado non-profit corporation, and its successors and assigns.

10. "Lot" shall mean and refer to any plot of land in Block 3 which is specifically referred to as a Lot in Exhibit "A" or in any supplemental or amended Declaration.

11. "Residential Unit" shall mean and refer to any structure on a Lot intended for use and occupancy as a residence by a single household. A Residential Unit shall be in or come into existence upon the completion of foundation work for a single household residence located or to be located on a Lot. In the event of any dispute as to the date of such event, the Block 3 Property Owners Association shall determine the date.

12. "Common Area" shall mean and refer to all real property and improvements now or hereafter owned by the Block 3 Association for the common use and enjoyment of the Owners.

13. "Roads" shall mean and refer to all rights-of-way for vehicular traffic which are now or hereafter owned by the Block 3 Association for the common use of Owners and the general public for ingress and egress within Block 3.

14. "Owner" shall mean and refer to the record owner or owners, other than the Declarant, whether one or more persons or entities, of fee simple title to any Lot or Residential Unit, excluding any party holding the fee simple title merely as security for the performance of an obligation but including the holder of the beneficial title where legal title is held to secure the performance of an obligation.

15. "Board of Directors" shall mean and refer to the board of directors of the Block 3 Association.

16. "Bylaws" shall mean and refer to the bylaws of the Block 3 Association, as they may be amended from time to time. All definitions in the Bylaws are incorporated herein by reference.

17. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Block 3 Association, filed with the Colorado Secretary of State, as they may be amended from time to time.

18. "Mortgage". The term "mortgage" shall mean and refer to a contract, a mortgage, or deed of trust by which an Owner encumbers his or her interest in a Lot for the benefit of a lender to secure a debt or other obligation.

19. "Mortgagee". The term "mortgagee" shall mean and refer to the holder of any mortgage.

20. "Restrictive Covenants" shall mean and refer to those certain Restrictive Covenants for Willow Springs Country Club, recorded in Book 2655 at Pages 539 et seq. on April 21, 1974, in the records of the Clerk and Recorder of Jefferson County, Colorado, as amended by the Restrictive Covenant for Willow Springs Country Club recorded in Book 2845 at Pages 412 et seq., on April 28, 1976, and the Amendment to Restrictive Covenant of Willow Springs (formerly known as Willow Springs Country Club) recorded at Reception No. 80100813 on December 30, 1980, the Amendment to Restrictive Covenant of Willow Springs (formerly known as Willow Springs Country Club recorded at Reception No. 81048059 on July 6, 1981, and the Master Declaration of Covenants Conditions and Restrictions for Willow Springs as Recorded in County of Jefferson, State of Colorado, Reception no. 85042523, 05/07/85.

21. "Cost of Living Index" shall mean and refer to the U.S. Bureau of Labor Statistics Consumer Price Index for the metropolitan area of Denver, Colorado, "All Urban Consumers" (CPI-U) (1967=100), and in the event such Index is no longer published, any other reasonably comparable index as determined by the Block 3 Association.

22. "Willow Springs Property Owners Association" shall mean and refer to the Willow Springs Property Owners Association, Inc., a Colorado non-profit corporation; and its successors and assigns, as described in the Declaration of Covenants, Conditions and Restrictions for Willow Springs (Block 1 through 2-B and 8), as supplemented and amended, recorded at Reception No. 85042522 in the records of the Clerk and Recorder of Jefferson County, Colorado.

RECITALS

WHEREAS, Declarant is the same party as the "declarant" under the Restrictive Covenants, and

WHEREAS, Declarant is the owner of the Lots in the Block 3 which Lots are subject to the Restrictive Covenants; the Block is more particularly described in Exhibit "A" attached hereto; and

WHEREAS, Declarant desires to amend and alter the Restrictive Covenants, pursuant to the provisions therein, in

order to establish a more comprehensive and flexible plan for the development, administration, maintenance, preservation, use and enjoyment of the Properties, and of all of the real property described in Exhibit B attached hereto, which plan is intended to enhance property values in the Planned Development. H

DECLARATIONS

NOW, THEREFORE, Declarant declares that this Declaration is executed with the requisite authority and formality to alter and amend the Restrictive Covenants, and the Restrictive Covenants are hereby altered, amended and superseded and shall be of no further force or effect; and

DECLARANT FURTHER DECLARES that the Properties are hereby subjected to this Declaration and regardless of any language in any deed to the contrary shall, after the date this Declaration is recorded with the Clerk and Recorder of Jefferson County, Colorado, be held, sold and conveyed subject to this Declaration including without limitation the easements, reservations, restrictions, covenants, and conditions described herein, which: (a) are for the purpose of protecting the value and desirability of the Properties; (b) shall be appurtenant to and shall run with the land; (c) shall be binding upon and shall inure to the benefit of all parties having any right, title or interest in the Properties or any part thereof, their heirs, successors, and assigns. Every Owner, by having accepted a deed for any interest in the Properties, in the past or in the future, shall be subject to the provisions hereof.

ARTICLES

ARTICLE 1. Association Membership and Voting Rights.

Section 1.01. Membership.

Each Owner shall be deemed to have a membership in the Block 3 Association. Each Owner, whether one or more persons or entities, shall have one membership per Lot or Residential Unit owned. Mortgagees shall not be members, and the giving of a security interest in a Lot or Residential Unit shall not terminate a membership. If one or more persons or entities is an Owner, each of them shall be a member, although, collectively, they shall only be entitled to the voting rights of one membership. Membership in the Block 3 Association shall be appurtenant to and may not be separated from ownership of a Lot or Residential Unit. Transfer of a Lot or Residential Unit automatically transfers membership in the Block 3 Association to the transferee. The rights and privileges of membership, including the right to vote, may be exercised by any member, but only one member may cast the vote or votes for each Lot or Residential Unit at any one time and such vote or votes may not be divided. If more than one member attempts to cast the vote for a Lot or Residential Unit, or if an attempt is made to divide a vote, the vote shall not be counted.

Section 1.02. Voting

The Block 3 Association shall have three (3) classes of membership: Class "A" and Class "B", and Class "C" as follows:

(a) Class "A". Each Owner upon whose Lot no Residential Unit exists shall have a Class "A" membership, and shall have one (1) vote per such Lot owned.

(b) Class "B". Each Owner of a Residential Unit shall have a Class "B" membership and shall have three (3) votes per Residential Unit owned.

(c) Class "C". The Declarant shall constitute the Class "C" membership. The Class "C" membership shall be entitled to three (3) votes for each lot owned by the Declarant upon which no Residential Unit exists and three (3) votes for each Residential Unit owned by the Declarant. The Class "C" membership shall terminate when Declarant no longer owns any property in Block 3 for sale or development. Notwithstanding any provision herein to the contrary, any provision of this Declaration which specifically requires the separate vote or approval of the Class "C" membership shall no longer require such separate vote or approval upon the first of the following events to occur:

- (i) Termination of the Class "C" membership;
- (ii) Twelve (12) years from the date this Declaration is recorded;
- (iii) When, in its discretion, the Declarant so determines; or
- (iv) The action of Section 2.01.

ARTICLE 2. Annexation and Transfer of Property.Section 2.01. Annexation Of The Block

Upon such date as Certificates of Occupancy have been issued for Residential Units upon 70% of the Lots in the Block 3, the Lots therein shall no longer be subject to this Declaration, but shall instead be made subject to the Declaration of Covenants, Conditions and Restrictions for Willow Springs (Blocks 1 through 2B and B) as recorded with the Jefferson County Clerk and Recorder at Reception No. 85042522, as supplemented and amended, and such Declaration shall be amended by a supplemental Declaration as provided therein to subject the Lots in the Block to such Declaration. Notwithstanding the preceding sentence, the Lots in the Block shall be subject to a final General Assessment pursuant to Article 3 after such Annexation Date, and to any Special Assessments levied prior to the final General Assessment.

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Coincident with the annexation of any of Block 3 and its associated Common Area and Roads, Declarant shall provide to the Association a report prepared by a Licensed Professional Engineer containing such Engineer's findings as to the adequacy of the construction of the roadways and drainage systems from the Common Area and along the Roads within the Block. The report shall, where appropriate, give due consideration to the interaction of the drainage system with and its effect upon other Blocks within the Planned Development. The report shall contain appropriate recommendations for correction of any deficiencies noted. In preparing the report, the Engineer shall apply the minimum standards for construction of roadways in effect in Jefferson County, Colorado at the time the roadways were constructed and shall determine that the drainage system is constructed in accordance with the site drainage plan approved by Jefferson County for the plat of Block 3. Declarant may elect either to correct any deficiencies noted in the report or may submit the matter to arbitration pursuant to Section 10.4.

In addition, Declarant shall provide the Association with a report prepared by a Licensed Professional Engineer for each Lot within the Block upon which a Residential Unit has been constructed containing such Engineer's findings as to the adequacy of the construction of surface drainage facilities upon the Lot.

Section 2.02. Assignment of Charges and Liens.

On the Annexation Date, all existing assessments, liens and charges pursuant to Article 3 hereof shall be assigned and conveyed to the Willow Springs Property Owners Association and shall become subject to Article 3 of the Declaration of Covenants, Conditions and Restrictions for Willow Springs (Blocks 1 through 2B and 8), as supplemented and amended. All assessments, liens and charges subsequently accruing pursuant to Section 2.01 hereof shall similarly be assigned and transferred immediately upon accrual, to the Willow Springs Property Owners Association and shall become subject to such Declarations.

Section 2.03. Merger of Block 3 Property Owners Association Into Willow Springs Property Owners Association.

The Block 3 Property Owners Association shall be merged into the Willow Springs Property Owners Association, and legally dissolved when 70% of the lots in Block 3 shall have been issued Certificates of Occupancy by the Jefferson County Building Department. In such merger all monies, assets and existing contracts shall be assigned to the Willow Springs Property Owners Association which shall be responsible for same. All debts of the Block 3 Property Owners Association shall be assumed by the Willow Springs Property Owners Association at said time.

The members of Block 3 Property Owners Association upon merger shall become members of the Willow Springs Property Owners Association upon the same basis and with voting rights as

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provided for in the Declaration of Covenants, Conditions and Restrictions for Willow Springs (Blocks 1 through 2-B and 8).

Upon merger, membership of Block 3 Property Owners Association shall become subject to and liable for all dues in force for the Willow Springs Property Owners Association membership at the time of the merger, and shall be subject to all assessment, regulations and controls as established by the Willow Springs Property Owners Association under the Provisions of Covenants, Conditions, and Restrictions for Willow Springs (Blocks 1 through 2-B and 8).

ARTICLE 3. Assessments.

Section 3.01. Creation of the Lien and Personal Obligation of Assessments.

Each Owner of any Lot or Residential Unit agrees to pay to the Block 3 Association for each Lot or Residential Unit owned, all general assessments, special assessments and specific assessments, as hereinafter defined, together with interest at the highest rate allowable under the laws of Colorado from time to time, costs of collection and reasonable attorneys' fees, all of which shall be a charge on the land and a continuing lien in favor of the Block 3 Association upon the Lot or Residential Unit against which each assessment is made from the date the assessment or any installment payment thereon becomes delinquent, and all of which shall also be the personal obligation of the Owner of such Lot or Residential Unit at the time the assessment arises; and such Owner's grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance. Assessments shall be paid in such manner and on such dates as may be established by this Declaration or as may otherwise be fixed by the Board of Directors. Any Owner who fails to make any payment of assessments or other charges as provided in this Declaration, hereby designates any one of the officers of the Block 3 Association or its duly appointed manager, as agent with full irrevocable power and right to record in the real estate records of Jefferson County a notice of said lien in favor of the Block 3 Association.

Section 3.02. General Assessment.

The general assessment shall be an annual charge by the Block 3 Association to cover the expenses for the acquisition, construction, maintenance, repair, replacement, operation and care of the Common Area, Roads and rights of way and for the operation and administration of the Block 3 Association (collectively referred to as "common expenses") and shall be used to promote the health, safety, welfare, common benefit and enjoyment of the Owners and occupants of Lots and Residential Units. The general assessment shall be due annually in advance, but shall be payable in monthly installments unless the Board of Directors accelerates the installments due to an Owner's delinquency. The first annual general assessments shall be

prorated according to the number of days then remaining in that fiscal year. The general assessment against a Lot upon which no Residential Unit exists shall commence on the date said Lot is made subject to this Declaration. The general assessment against a Residential Unit shall commence on the date said Residential Unit comes into existence, or on the date this Declaration is recorded for any Residential Unit in existence on such date. The general assessments shall be allocated between Residential Units, and Lots upon which no Residential Unit exists, in the same three (3) to one (1) ratio as votes are allocated under Subsections 1.02(a) and 1.02(b).

Section 3.03. Computation of the General Assessment.

The general assessment during the first twelve months of operation shall not exceed \$99.96 (\$8.33 per month) for a Lot upon which no Residential Unit exists or \$300.00 (\$25.00 per month) for a Residential Unit. During each year of operation, the Board of Directors shall prepare an annual budget covering the estimated common expenses of the Block 3 Association for the following year. The budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared in accordance with Section 3.11. The Board of Directors shall cause a copy of the budget and the amount of the general assessment to be levied against each Lot and Residential Unit for the following year to be mailed to each Owner at least thirty (30) days prior to the beginning of each new fiscal year. The budget and the general assessment shall automatically become effective, without a vote of the membership, if the general assessment does not exceed the maximum authorized assessment for the first year of operation, as provided in this Section 3.03, plus an amount equal to such maximum authorized assessment multiplied by the percentage increase in the "Cost of Living Index" from December, 1984 to the month in which the Board of Directors approves the proposed budget. If no Index is published for any one month, it shall be determined by interpolation. If the proposed assessment is greater than the maximum amount, then the Board of Directors shall call a special meeting of the membership for the purpose of voting on the budget and assessment, to be held at least fifteen (15) days after delivery of the proposed budget and assessment to the members. In such case, the proposed budget and the assessment shall become effective unless disapproved at the meeting by at least a majority of a quorum the combined vote of the entire Class "A" and Class "B" membership. In the event the membership disapproves the proposed budget and assessment, the budget and assessment for the following year may not exceed the maximum amount which would automatically become effective as provided in this Section unless a majority of the combined vote of the entire Class "A" and Class "B" membership should subsequently approve another budget submitted by the Board of Directors at a special meeting of the membership.

Section 3.04. Special Assessments.

The Block 3 Association may also levy at any time a special assessment for such purposes as the Board of Directors in its sole discretion deems appropriate to promote the health, safety, welfare, common benefit and enjoyment of the Owners and occupants of Lots and Residential Units. Any special assessment shall have the approval of at least a majority of a quorum vote which the entire membership of the Block 3 Association present in person or by proxy is entitled to cast at a meeting duly called for such purpose. The Board of Directors may in its discretion make the special assessments payable in installments.

Section 3.05. General and Special Assessments.

The general and special assessments shall be allocated between Residential Units, and Lots upon which no Residential Unit exists, in the same three (3) to one (1) ratio as votes are allocated under Subsections 1.02(a) and 1.02(b). Written notice of any meeting called for the purpose of taking any action authorized under Sections 3.03 or 3.04 shall be sent to all members not less than fifteen (15) days in advance of the meeting.

Section 3.06. Specific Assessments.

The Block 3 Association may also levy a specific assessment against any Lot or Residential Unit or the Owner thereof for any charges established pursuant to this Declaration, the Bylaws or the Rules and Regulations, including without limitation, reasonable fines, and the cost of repairs to the Common Area and Roads caused by an Owner or his or her guests or tenants, invitees, contractors or agents. All such assessments shall be due and payable on demand.

Section 3.07. Priority of Lien.

The liens for assessments created herein shall be superior to all other liens and encumbrances on a Lot or Residential Unit except only for:

(a) Tax liens in favor of the federal, state or local government; and

(b) All sums unpaid on a first mortgage of record. Any first mortgagee who obtains title to a Lot or Residential Unit pursuant to the foreclosure remedies provided in the mortgage or in lieu of foreclosure will not be liable for unpaid assessments which accrued prior to acquisition of title. All other persons acquiring liens or encumbrances on any Lot or Residential Unit after this Declaration is recorded shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments as provided herein, whether or not prior consent is expressly set forth in the instruments creating such liens or encumbrances.

Section 3.08. Nonpayment of Assessments.

Any assessments or installment payments thereon which are not paid when due shall be delinquent. Any assessment or installment payment thereon which is delinquent for a period of more than thirty (30) days shall incur a late charge in an amount as the Board of Directors may determine from time to time. If any installment payment of any assessment is not paid within thirty (30) days after the Block 3 Association gives a notice of delinquency, the Association may declare the entire annual assessment due and payable at once. The Block 3 Association may also post a notice of any past due assessment in a public place. In the event that the assessment or any installment payment thereon remains unpaid after sixty (60) days from the date of giving the notice of delinquency, the Block 3 Association may institute suit to collect such amounts or to foreclose its lien in the same manner as liens for mortgages under the laws of Colorado. Such remedies shall be cumulative. The Block 3 Association may bid on any Lot or Residential Unit at any foreclosure sale, and may acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise avoid liability for the assessments provided for herein, including by way of illustration but not limitation, abandonment of his or her lot or Residential Unit.

Section 3.09. Declarant.

All Lots and Residential Units owned by Declarant shall be subject to assessments on the same basis as all other Lots or Residential Units.

Section 3.10. Notice of Assessment Status.

Any Owner, contract purchaser, mortgagee or any lender considering making a loan to be secured by a mortgage on a Lot or Residential Unit shall be entitled upon request to a statement from the Block 3 Association or its manager setting forth the amount of any past due assessment, or unpaid installment thereon, against a Lot or Residential Unit. Such request shall be in writing, delivered to the manager or the registered office of the Block 3 Association and shall state an address to where the statement is to be directed. Payment of a fee not to exceed a reasonable amount as established by the Board of Directors from time to time may be required as a prerequisite to the issuance of such a statement.

Section 3.11. Capital Budget and Contribution.

The Board of Directors shall annually prepare a capital budget which shall be for a minimum period of five (5) years. The budget shall fully reflect the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The capital budget shall reflect the projected amount and timing of capital expenditures

for the period of the budget. The board of Directors shall establish the required captial contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Block 3 Association, as reflected in the capital budget. The capital contribution required shall be fixed by the Board of Directors and shall be included within the budget and general assessment.

Section 3.12. Initial Capital Contribution.

The Block 3 Association shall levy and collect from each Owner at the closing when the Owner acquires a Lot or Residential Unit, a sum equal to six (6) times the original estimated monthly assessment for a Residential Unit. Said sum may be used by the Block 3 Association for working capital, for application against a delinquent account of an Owner, or for emergency needs, and shall be refunded to the Owner (except as hereinafter provided) upon the sale or transfer of his Lot or Residential Unit, less any amount then due by said Owner to the Association. Such amount may be transferred to a new Owner upon a settlement sheet adjustment between a seller and purchaser. Deficiency amounts in any Owner's account shall be promptly restored upon request by the Board of Directors to maintain an amount equal to six (6) times the original estimated assessment for a Residential Unit. The existence of this reserve account shall in no way relieve any Owner from his duty to pay his or her assessments when due. The declarant shall not be subject to the requirement of this section.

ARTICLE 4. Property Rights.

Section 4.01. Owner's Easement of Enjoyment.

Every Owner shall have a right and easement of enjoyment in and to the Common Area and Roads, subject to easements, reservations, restrictions, covenants and conditions now of record or created or permitted by this Declaration, including without limitation the following:

(a) In addition to the assessments, the Block 3 Association shall have the right to charge reasonable admission and other fees for the use of any facility now or hereafter situated or constructed upon the Common Area and/or Roads.

(b) The Block 3 Association shall have the right to dedicate or transfer all or any portion of the Common Area and Roads to any public or private agency, authority or utility for such purpose and subject to such conditions as may be agreed upon by the members of the Block 3 Association. No such dedication or transfer shall be effective unless approved by a vote of at least seventy-five percent (75%) of the combined vote which the Class "A" and "B" membership of the Block 3 Association present or represented by proxy are entitled to cast at a meeting duly called for such purpose. If the Block 3 Association dedicates the streets and roadways to any public authority, Declarant

covenants that all other streets and roadways built in Blocks 4 through 7 and intended for common usage shall be dedicated to Jefferson County, provided that the County is willing to accept such dedication. 12

(c) The Block 3 Association shall have the right to make and enforce reasonable rules and regulations governing the use of the Common Area and Roads.

(d) The Block 3 Association shall have the right to grant easements and rights-of-way in and to the Common Area and Roads to any public or private agency, authority or utility for such purposes as in Block 3 Association's sole discretion benefit the Planned Development or the Properties or portions thereof and the owners thereof.

(e) The Block 3 Association shall have the perpetual nonexclusive right and easement to use and permit other persons and entities to use the Common Area and Roads for ingress and egress to developed and undeveloped parts of the Planned Development and to construct and maintain additional connecting roadways and streets, recreational amenities, residences, and maintenance facilities.

(f) The Block 3 Association and Declarant shall have the right to contract with each other whereby the Declarant for a fee, may perform administrative and managerial duties for the Block 3 Association, and may perform maintenance on the Common Area and Roads, including, without limitation, snow removal, lawn maintenance, and road repair.

(g) Notwithstanding any provision herein to the contrary, Declarant shall have the right to subject Blocks 4 through 7 to additional and more restrictive easements, restrictions, covenants and conditions, including without limitation easements for solar purposes; provided, however, the Common Area and Roads in Blocks 4 through 7 shall not be subject to any restrictions different from the restrictions imposed on the Common Area and Roads in Blocks 1, 2, 2-A, 2-B, 3 and 8.

Section 4.02. Delegation of Use.

Any Owner may delegate his or her right of enjoyment to the Common Area, Roads and facilities thereon to the members of his or her family, tenants, and invitees subject to and in accordance with reasonable rules and regulations adopted by the Board of Directors.

Section 4.03. Owner's Right of Ingress and Egress.

Each Owner shall have the right of ingress and egress over, upon and across the Common Area and Roads in the Planned Development necessary for reasonable access to his or her Lot or Residential Unit.

Section 4.04. Easements of Encroachment.

In the event any portion of any Lot or Residential Unit encroaches upon the Common Area and Roads as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Properties, a valid easement for the encroachment and for the maintenance of the same may be granted by the Block 3 Association so long as the encroachment exists. In no event, however, shall an easement for encroachment be granted if such encroachment occurred due to willful conduct or negligence on the part of an Owner.

Section 4.05. Use of Common Area and Roads.

The Owners may use the Common Area and Roads only in accordance with this Declaration, the Bylaws, and as the Board of Directors may otherwise permit according to rules and regulations adopted pursuant to Section 4.06. This section 4.05 is for the mutual benefit of all Owners and is necessary for the protection of all Owners.

Section 4.06. Rules and Regulations.

The Board of Directors may establish reasonable Rules and Regulations concerning the use of the Common Area, Roads and facilities located thereon, including without limitation regulating traffic on the streets and roadways. Copies of such rules, regulations and amendments thereto shall be furnished by the Block 3 Association to all Owners prior to the date such rules are to take effect. Such Rules and Regulations shall be binding upon the Owners, their families, tenants, guests, invitees and agents, until and unless such Rules or Regulations are specifically overruled, cancelled or modified by the Board of Directors or, in a regular or special meeting of the members, by a vote of a majority of the combined vote which the entire membership of the Block 3 Association present or represented by proxy is entitled to cast at a meeting duly called for such purpose.

Section 4.07. Leasing and Renting.

If the Owner of any lot or residential unit shall lease same to a third party, such lease shall be in writing and shall specifically advise the tenant that the tenant is subject to the Declarations of Covenants, Conditions and Restrictions, Bylaws, Articles of Incorporation, and Rules and Regulations of the Block 3 Association the same as if the tenant were an Owner. If a tenant shall violate any such obligation, the Owner, as well as the tenant shall be subject to penalty the same as if he had violated such documentary provision himself.

Section 4.08. Additional Covenants, Conditions and Restrictions.

Additional easements, reservations, covenants, conditions and restrictions are set forth on Exhibit "C" attached hereto and incorporated herein by reference. In the event of any conflict between Exhibit "C" and the first 10 Articles of this Declaration, the first 10 Articles shall control; provided, however, that the rights and powers of Declarant as described in Exhibit "C" shall not be diminished or restricted as the result of any such conflict. Any rights, powers, duties and obligations of Declarant, as described in Exhibit "C" or in the first 10 Articles may be assigned by Declarant to the Block 3 Association, and upon such assignment the Block 3 Association shall exercise such rights and powers and perform such duties and obligations are as consistent with this Declaration.

ARTICLE 5. Rights and Obligations of the Block 3 Association.

Section 5.01. The Common Area and Roads.

The Block 3 Association shall be responsible for the acquisition, construction, maintenance, repair, replacement, operation and care of the Common Area and Roads and shall keep them in good, clean, attractive and sanitary condition, order and repair until merger of the Block 3 Property Owner's Association with the Willow Springs Property Owner's Association is complete pursuant to Section 2.01.

Section 5.02. Management and Administrative Services.

The Block 3 Association may obtain and pay for the services of any person or entity to manage its affairs and any other personnel as the Board of Directors shall determine to be necessary or desirable for the proper operation of the Block 3 Association. Such personnel may be furnished or employed directly by the Block 3 Association or by any person or entity with whom or with which the Block 3 Association contracts. The Block 3 Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Properties or the enforcement of this Declaration. Such services shall be funded through the general assessments.

Section 5.03. Other Services.

The Block 3 Association may, but shall not be required to, arrange with others to furnish water, trash collection, sewer service and other common services not expressly required herein to each Lot or Residential Unit as a Block 3 Association expense, and may by contract agree with any association or entity within the Planned Development to provide such services to the members of that association as may be required or be permitted by the instrument creating that association. If the Block 3 Association does not provide these or similar services, each Lot, Residential Unit, or other association will have all rights and easements across, through and over the Common Area and Roads, and such property, pipes, conduits, apparatus, lines or wires as are

reasonably necessary to provide these services, subject to an equitable allocation of maintenance costs for this use to be agreed upon by the Board of Directors and any user of such property or equipment. 15

Section 5.04. Personal Property and Real Property.

The Block 3 Association may acquire, hold, and dispose of tangible and intangible personal property and real property.

Section 5.05. Enforcement.

All Owners and their tenants, guests and invitees shall comply with the Bylaws and Articles of Incorporation and with the Rules and Regulations adopted pursuant hereto, as either of the same may be lawfully amended from time to time, and with the easements, reservations, covenants, conditions and restrictions as set forth in this Declaration and in the deeds or leases, if any, to their Lots or Residential Units. The Block 3 Association or in the proper case, an aggrieved Owner shall have the right to seek relief in court to abate nuisances for any violations of the Declaration, Bylaws, Articles of Incorporation and the Rules and Regulations, and shall be entitled to the recovery of damages or to injunctive relief or both. In the event any such legal or equitable action is instituted, the prevailing party in such action shall be entitled to collect from the adverse party thereto, its costs and reasonable attorney's fees. Failure to enforce any of the foregoing rights or sanctions shall in no event be deemed a waiver of the right to do so thereafter.

Section 5.06. Title to Common Area and Roads.

Fee simple title to the property that Block 3 Association designates as Common Area and Roads shall be conveyed to the Willow Springs Property Owners Association after the Annexation date defined in Article 2. Such title shall be free and clear of all encumbrances and liens, except the lien for then current real property taxes, which taxes shall be prorated to the date of transfer, and except easements, conditions, or restrictions, covenants and reservations then of record including, but not limited to the provisions of this Declaration. Such Association shall accept the title to all such property when offered by the Declarant. Assessments and charges levied under this section shall be made by the Association at or before the final General assessment pursuant to Section 2.01 hereof.

Section 5.07. Board of Directors.

Unless otherwise subject to approval or disapproval of the membership as herein provided or as provided by the Bylaws, Articles of Incorporation, or by the laws of Colorado, the business of the Block 3 Association shall be conducted, managed and controlled solely by the Board of Directors in their sole discretion.

ARTICLE 6. Maintenance.**Section 6.01. Block 3 Association's Responsibility.**

(a) Subject to the insurance and casualty loss provisions contained herein, the Block 3 Association shall be responsible for the maintenance of the Common Area and Roads including, without limitation, maintenance, repair and replacement of all foliage, structures, roadways and streets, and other improvements situated upon the Common Area and Roads.

(b) In addition the Block 3 Association may perform such maintenance as may be required by contract with any residential association in the Planned Development. Such contract shall contain such terms, conditions, and compensation as the Board of Directors, in its sole discretion deems appropriate.

Section 6.02. Owner Responsibility.

(a) Unless specifically identified as being the responsibility of the Block 3 Association maintenance of each Lot or Residential Unit shall be the sole responsibility of the Owner of each Lot or Residential Unit.

(b) No Owner, member of an Owner's family, or tenant, or invitee, contractor or agent of the Owner shall cause or permit any damage to the Common Area or Roads, whether through willful misconduct or negligence and each Owner shall indemnify and hold the Block 3 Association and the other Owners harmless against any and all loss resulting therefrom.

(c) If the Owner, after written notice from the Block 3 Association shall fail to repair any damage for which such Owner is responsible under (b) above, the Block 3 Association may, but shall not be obligated to, order such maintenance, repair or replacement with the cost of same being subject to assessment against the Owner with such assessment to become a lien against Owner's Lot or Residential Unit. Said written notice shall give the Owner fifteen (15) calendar days to effect the maintenance, repair or replacement of such damage from date of receipt.

ARTICLE 7. Insurance Provisions.**Section 7.01. General Provisions.**

The Block 3 Association shall be required and empowered to obtain and maintain insurance coverage for:

- a) Fire and other hazards including extended coverage for all real property owned by it;
- b) Comprehensive public liability insurance covering Common Areas and Roads and improvements thereon;

- c) Workman's Compensation for Block 3 Association employees;
- d) Fidelity Bonds for Block 3 Association Officers, Directors and employees; and
- e) Such other insurance as the Board of Directors, in its sole discretion, may deem for the benefit of the Block 3 Association.

All of the above insurance requirements shall be obtained from rated insurance companies in policy amounts with details of coverage pursuant to the Bylaws of the Block 3 Association as adopted and amended by the Board of Directors of the Block 3 Association.

ARTICLE 8. Additional Architectural Provisions.

Section 8.01. Additional Architectural Provisions.

As an additional right and power of the Architectural Control Committee, if it shall come to the attention of the Architectural Control Committee that any improvement is being placed upon a residential unit or lot for which approval and permission has not been previously obtained from the Architectural Control Committee by the Owner, the Architectural Control Committee shall give such Owner a written ten-day notice of such violation; which notice shall give the Owner a ten-day period within which to submit a proper application for consideration by the Architectural Control Committee for such improvement. From the date of such written notice, the Owner shall stop any further construction on said improvement. If the Owner does not within the ten-day period submit a written application for the installation of said improvement, then the Architectural Control Committee shall certify such non-compliance to the Board of Directors for its action. Then the Board of Directors shall be authorized to take such steps as it, in its sole discretion may deem appropriate, including but not limited to the filing of any legal or equitable action, to enjoin the erection or installation of such improvement, through action by the Block 3 Association. In the event any such legal or equitable action is initiated, the prevailing party in question shall be entitled to collect from the adverse party thereto its costs and reasonable attorney's fees.

ARTICLE 9. Country Club.

Section 9.01. Easements.

Nonexclusive easements and rights-of-way in perpetuity are hereby reserved to the Declarant in the Common Area and Roads for the use and benefit of the Open Space, and the Country Club, and their owners, operators, members, agents, employees, guests and invitees for the purpose of ingress and egress to the Open Space for the purpose of permitting the installation, operation and maintenance of improvements and utilities providing services

to the Country Club, including, without limitation, wires, cables, conduits, pipes and other apparatus for irrigation, water, gas, electricity, sewer, telephone and cable television services. The rights of ingress and egress as hereinabove provided shall include, without limitation, the right to use the streets and roadways for transportation, construction and maintenance vehicles, equipment, supplies, materials and personnel. The easements and rights-of-way described in this Section 9.01 shall be in addition to any other easements, rights-of-way or other rights created or reserved in any other part of this Declaration or any real estate records.

ARTICLE 10. General Provisions.

Section 10.01. Perpetuities.

This Declaration, and the covenants, conditions, restrictions, and other provisions herein contained shall continue in full force and effect for 25 years from the date this Declaration is filed of record with the Clerk and Recorder of Jefferson County, Colorado, and shall thereafter be automatically extended for successive periods of 25 years unless otherwise terminated, modified or amended as provided in this Declaration; provided, however, that reservations or other rights in perpetuity shall not be affected thereby. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of: (I) Mary J. Harwood, mother of Mr. Stanley A. Harwood, President of Willow Springs Enterprises, Inc., or (II) Ronald Reagan, President of the United States, whichever is longer.

Section 10.02. Notice of Sale or Lease .

In the event an Owner sells or leases his or her Lot or Residential Unit or any part thereof, the Owner is required to give the Block 3 Association in writing no later than fifteen (15) calendar days after such sale or lease is consummated, the name of the purchaser or lessee of the property, as well as any other documents or instruments required or allowed by this Declaration.

Section 10.03. Amendments.

Except as otherwise provided in this Declaration, any of the provisions of this Declaration may be amended by an amended Declaration approved by a vote of at least 75% of the combined vote of the entire membership. The amended Declaration shall be signed by the Board of Directors certifying the date such vote of the membership was taken and the outcome of such vote. Notwithstanding any provision of this Declaration to the contrary, no amendment to this Declaration shall affect the

rights of or interfere with or divest Declarant or the owners or operators of the Country Club of any rights or powers specifically provided for or reserved in Declarant or such owners or operators, including, without limitation, the right to use and develop the Properties, the Planned Development and the Country Club, unless approved or consented to in writing by Declarant or such owners or operators. Any amendment, to be effective must first be properly recorded in the public records of Jefferson County, Colorado.

Section 10.04. Arbitration.

It is agreed between the Block 3 Association and the Declarant that any controversies or disputes arising between same shall be subject to binding arbitration. Arbitration shall be had by a single arbitrator who shall be appointed by the presiding Judge of the Jefferson County District Court upon the request of either party. Any party to any arbitration instituted hereunder shall be entitled to the representation of its choice, and the prevailing party in any such arbitration shall be entitled to collect from the adverse party thereto its costs and attorney's fees.

Section 10.05. Assignment of Declarant's Interest.

Declarant hereby reserves the right to assign any rights, privileges and options reserved to Declarant herein and any obligations created hereby to any one or more of its successors or assigns at any one or more time, at the Declarant's sole discretion and without the consent of the Block 3 Association, the Block 3 Association's membership or any Owner.

Section 10.06. Additional Reservations of Declarant.

Notwithstanding any provision herein to the contrary, so long as the Declarant owns any property described in the Block subject to this Declaration, the Declarant hereby it reserves the right and easement to (a) construct and complete the construction of streets, roadways, utilities and all other improvements on the Properties (other than Lots previously conveyed), and in connection therewith, reserves the nonexclusive right and easement to use and excavate the surface and subsurface of such Properties for the erection, construction and installation of said improvements; (b) extend the streets, roadways and utilities located or to be located on the Properties to other portions of the Planned Development; (c) to use and occupy so much of the Properties (other than Lots previously conveyed) as may be necessary for the construction, reconstruction, maintenance and operation of any of said improvements, including but not limited to, the right to locate, relocate install, maintain and repair all utilities and utility lines; (d) to grant to Jefferson County, Colorado, or any other municipality or governmental body, or any public or private utility company, easement or rights-of-way for ingress and egress to permit the furnishing of services

and the right to convey or relinquish control to proper authorities of all utilities, including without limitation, sewer lines, water mains and pipelines, together with suitable easements or rights-of-way over the Properties for the continued maintenance, repair, replacement and operation thereof, and to enter into such agreements, filings or platings with Jefferson County in the nature of an Official Development Plan, or as otherwise may be required, in connection with the Planned Development; and (e) to lease, rent, sell, grant and convey Lots and Residential Units (other than those previously conveyed).

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Section 10.07. Indemnification.

The Block 3 Association shall indemnify and hold harmless every officer and director and former officer and director of the Block 3 Association against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon any then present or former officer or director of the Block 3 Association in connection with any action, suit or other proceeding, civil or criminal (including settlement of any suit or proceeding if approved by the then Board of Directors), to which he or she may be a party by reason of being or having been an officer or director of the Block 3 Association except in relation to matters as to which he or she is adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty owed to the Block 3 Association. No officer or the director shall be liable for any mistake of judgment. No officer or director shall have any personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Block 3 Association (Except to the extent that such officers or directors may be assessed as members of the Block3 Association) and the Block 3 Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled either under the provisions of this Declaration, the terms of any contract or the laws of the State of Colorado. The Block 3 Association shall as a common expense maintain general liability insurance, which in the Board of Director's sole discretion is adequate, to fund this obligation, if such insurance is available at a cost which in the Board of Director's sole discretion is not unreasonable.

Section 10.08. Severability.

If any of the provisions of this Declaration are deemed void, invalid or unenforceable by any court of competent jurisdiction, all other provisions shall remain in full force and effect; and if any provision of the Declaration is capable of more than one construction, one of which would render the provision valid and the other of which would render the provision invalid, the provision shall be given the meaning which renders it valid.

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EXHIBIT "A" TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
WILLOW SPRINGS

BLOCK 3) ALL INCLUSIVE.

EXHIBIT "B" TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
WILLOW SPRINGS

- BLOCK 1) LOTS 1 THROUGH 108 INCLUSIVE, BLOCK 1, WILLOW SPRINGS COUNTRY CLUB, FIRST FILING, AMENDMENT NO. 1.
- BLOCK 2) LOTS 1 THROUGH 21 INCLUSIVE, BLOCK 2, WILLOW SPRINGS COUNTRY CLUB, FIRST FILING, AMENDMENT NO. 1.
- BLOCK 2-A) PLOT 1, LOTS A THROUGH F; PLOT 2, LOTS A THROUGH F; PLOT 3, LOTS A THROUGH C; PLOT 4, LOTS A, B, E AND F, WILLOW SPRINGS COUNTRY CLUB, FILING NO. TWO-A.
- BLOCK 2-B) LOTS 1 THROUGH 30 INCLUSIVE, WILLOW SPRINGS FILING NO. TWO-B
- BLOCK 3) ALL INCLUSIVE.
- BLOCK 4) ALL INCLUSIVE.
- BLOCK 5) ALL INCLUSIVE.
- BLOCK 6) ALL INCLUSIVE.
- BLOCK 7) ALL INCLUSIVE.
- BLOCK 8) ALL INCLUSIVE.

EXHIBIT "C" TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR WILLOW SPRINGS
(BLOCK 3)

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1. Each and every Residential Unit shall be used for a single family residence only. In addition to single family use as provided herein, bona fide domestic servants shall be permitted the use and occupancy of said Residential Unit while in the employment of said family.

2. Each single family detached residence shall not have less than 2,000 square feet of actual living floor area exclusive of unroofed or roofed porches, terraces, basements, garages and carports.

3. (Intentionally Left Blank)

4. No residential structure shall exceed a maximum height of 30 feet measured from the highest point of grade to the top of the building, exclusive of appurtenances and towers. In no event shall the exposed portion of any residential structure exceed 45 feet.

5. No garage or carport may be greater in height or number of stories than the Residential Unit for which it is built. Garages or carports of sufficient size to accommodate not fewer than two cars per residential unit must be provided.

6. No room or rooms in any Residential Unit may be rented or leased to any person; provided however, that nothing contained herein shall be construed as preventing the renting or leasing of an entire Residential Unit, together with its improvements, as a single unit to a single family.

7. No business of any nature shall be conducted in any Residential Unit. No horses, cattle, sheep, goats, pigs, rabbits, poultry, or other livestock of any description shall be kept or maintained on any part of any Lot. Residents may keep dogs, cats or other animals which are bona fide household pets so long as such pets are not kept for commercial purposes and do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any of the residents of the Properties. Dogs are subject to the existing leash law and should not be allowed to run free. Enforcement of this law will encourage wildlife to remain in the immediate area.

8. No activity may be carried on or allowed to exist upon any Lot, which may be noxious, detrimental, offensive, illegal, or constitute a nuisance to any other Lot or to the occupants of any Lot.

9. Before anyone shall begin the construction, remodeling, addition to, or exterior alteration of any building, wall, fence,

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coping, swimming pool or any other structure, whatsoever, on any Lot, there shall be submitted to the Architectural Control Committee of the Block 3 Association, two complete sets of plans and specifications of said structure, together with an engineering study prepared by a Licensed Professional Engineer specifying the surface drainage facilities, if any to be constructed as required by Paragraph 10, 32, and 33 of this Exhibit "C". No work may begin on such structure or improvement until the plans and specifications and other documentation have been given a final written approval by the Architectural Control Committee. Such plans and specifications shall include a plot plan showing the location on the Lot of the structure, wall, fence, coping, swimming pool or any improvement proposed to be constructed, altered or placed, and elevation of same, together with the color scheme, materials, and exteriors thereof. A decision of the Architectural Control Committee is final, and no building or improvement of any kind may be constructed without the prior written consent of the Architectural Control Committee. Such written consent shall not be construed to create any liability of the Architectural Control Committee or the Block 3 Association for any defect or default in any plans or specifications with additional documentation as may ultimately be required by the Architectural Control Committee. Upon completion of the Construction of a Residential Unit upon a Lot, Owner shall provide the Block 3 Association with a report prepared by a Licensed Professional Engineer containing said Engineer's findings as to the adequacy of the construction of surface drainage facilities, if any were required. Owner shall immediately correct any deficiencies noted.

10. The Owner of each and every Lot that has a slope in excess of fifteen percent shall use extreme care to design a structure that will not affect the natural drainage of the surrounding area. No work on any structure or improvement may begin until excavation and foundation plans prepared by a Professional Engineer have been submitted to and approved by the Architectural Control Committee. Driveways, parking areas, and foundation excavations shall be planned to have minimal destruction of the existing vegetation and plant growth. Necessary cuts and fills must be reseeded or planted with ground cover comparable to that existing.

11. Each Owner shall use reasonable care in placing a structure on a Lot so as not to obstruct the view from adjoining Lots. A plot plan shall be submitted to the Block 3 Association for approval before any construction may begin.

12. The Architectural Control Committee shall be appointed by the Board of Directors and may remove any member of the Committee without cause upon ten (10) days' notice. The number of members of said Committee and the length of service shall be fixed by the Declarant or the Board of Directors as the case may be. Said Committee may be composed of Class "B" members and a representative of the Declarant.

13. Any exterior lighting installed on any Lot shall be indirect or of such controlled focus and intensity as not to disturb the residents of adjacent properties.

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14. No trees shall be removed from any Lot, excepting those that would interfere with the actual construction of a Residential Unit. Each tree removed shall be replaced with a tree of similar size.

15. No temporary house, trailer, tent, garage or out building shall be placed or erected on any part of any Lot, and no Residential Unit placed or erected on any Lot shall be occupied prior to completion in accordance with the plans and specifications approved by the Board of Directors. Necessary temporary buildings for the storage of building materials may be constructed and used during the period of construction. The work of construction, altering or remodeling of any building or part thereof shall be completed no later than 270 days after the issuance of the building permit for same.

16. All fences must be approved by the Architectural Control Committee. Plans and specifications must be submitted to the Committee for approval before construction of any fence is begun. No fences shall be allowed in the front of Residential Units. No fence shall be any closer than 20 feet to the edge of any golf course fairway. Maximum height of fences shall be four (4) feet, except in the case of patio privacy fences which may be six (6) feet high if the patio adjoins a Residential Unit, and they shall be made of materials that conform to the concept of naturalness.

17. No coal or other type of fuel which gives off smoke, except wood, shall be used for heating, cooking or any other purpose unless such use is in compliance with applicable governmental standards. No trash or garbage shall be burned except indoors in an approved incinerator.

18. Any building placed, erected or maintained upon any Lot shall be entirely constructed thereon, and the same or any part thereof shall not be moved to or from said Lot.

19. No outside toilets shall be placed on any Lot except during period of construction.

20. (Intentionally left blank.)

21. No advertising or signs of any character shall be erected, placed, permitted or maintained on any Lot or any building within any residential area within the Properties other than:

- A. A name plate of the occupant and a street number;
or
- B. A "For Sale" sign (maximum size three (3) square feet).

22. No elevated tanks of any kind shall be erected, placed or permitted upon any part of any Lot. Any tanks to be used in connection with any Residential Unit, including tanks for the storage of gas, oil or water, must be below ground. All types of refrigerating, cooling or heating apparatus must be concealed.

23. All radio and television signal reception devices are prohibited from any Lot or Residential Unit, except with the written consent of the Block 3 Association. Antennae may be put in the attic of a structure.

24. (Intentionally left blank)

25. No motorized bicycles, trail bikes, motor scooters, snowmobiles or similar types of recreational vehicles shall be operated on the Properties except for the purposes of going to or from work and other purposeful travel.

26. Parking on the paved portion of the roads shall not be permitted.

27. No building or structure upon any Lot may be permitted to fall into disrepair. Buildings or structures must at all times be kept in good condition, adequately painted or otherwise finished.

28. Each Lot at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed on any Lot so as to be visible to any neighboring Lot, road or the golf course which is part of the Country Club, except as is necessary during the period of construction. Clotheslines, trash cans, wood piles, storage piles and other unsightly materials shall be screened from adjoining Lots, roads, and the golf course.

29. Each Lot shall, at all times, be kept clear of weeds and other unsightly growth. In case an Owner shall fail to keep his Lot clear of weeds and unsightly growth or shall fail to remove objectional landscaping upon request of the Block 3 Association, the Block 3 Association shall have the right to clear such Lot at the Owner's expense, and the Block 3 Association shall have a lien against the property to secure the payment from the Owner for this expense. Owners of Lots contiguous to the golf course located on the Planned Development shall not grow, nor permit to grow, varieties of grasses or other vegetation which in the opinion of the golf course superintendent, are inimical to golf course grasses and vegetation in those areas adjacent to the golf course. Such Owners may, however, with the prior written approval of the superintendent, install barriers which will prevent the spread of unwanted grass or vegetation onto the golf course.

30. Each Owner of a Lot adjacent to the golf course agrees for himself, his heirs, assigns or successors in interest, that he will permit free access to such Lot by golfers when such access is for the purpose of retrieving golf balls from the golf course or driving range. 28

31. Each Owner agrees for himself, his heirs, assigns, or successors in interest, that he will permit free and reasonable access by the Owner of adjacent or adjoining Lots containing a divisional wall, fence, hedge, or any other such barrier, when such access is essential for the construction, reconstruction, refinishing, repair, maintenance, or alteration of such divisional structure or planting.

32. Each Owner agrees for himself, his heirs, or successors in interest that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots and the Common Area and Roads and that he will make adequate provisions for proper drainage in the event it becomes necessary, to change the established drainage over his Lot. For the purpose hereof, "established drainage" is defined as the drainage which occurred at the time said Lot was sold by Declarant unless otherwise agreed to in writing by the Owners affected by any change in the established drainage pattern.

33. Any Owner building a driveway shall put in a culvert of the correct engineered size as specified by the appropriate governmental agency at the road entrance so as to provide for water drainage along his side of the road. All site grading shall be accomplished in such a way as to divert water flow to the streets and roadways as much as possible.

34. Except as otherwise provided in the Declaration, no Lot or Lots shall be subdivided, except for the purpose of combining portions with an adjoining Lot, provided that no additional Lot or building site is created thereby, and then only with the express permission of the Board of Directors. Any ownership or single holding by any person comprising the whole of one Lot and part or parts of one or more adjoining Lots shall, for all purposes of these covenants and restrictions, be deemed a single Lot. Not less than one entire Lot as originally platted shall be used as a building site.

35. It is expressly agreed and understood that the Declarant may use any of its Lots or any part of the Properties owned by it for a sales office, for model homes or for parking related to such sales office or model homes. Any portion of the Properties, including streets, drives, and other roadways, may be used for sales purposes.

36. In the event that a structure is destroyed, wholly or partially, by fire or any other casualty, said structure shall be properly rebuilt or repaired to conform to this Declaration or all the remaining structure, including the foundations, and all debris shall be removed from the Lot.

37. (Intentionally left blank)
38. (Intentionally left blank)
39. (Intentionally left blank)

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40. Easements and rights-of-way in perpetuity are hereby reserved in: (a) any property subjected to this Declaration other than Lots; (b) a strip of land 8 feet in width along the rear and side Lot lines of all Lots in Willow Springs Country Club, First Filing, Amendment No. 1, and Filing 2A of the Planned Development, except those easements that have been vacated by Quit Claim Deed recorded at Reception No. 79106673, on November 27, 1979, Jefferson County, Colorado; and (c) such strips of land on any Lots as may be reserved in any final plats for Block 2B and Blocks 3 through 8 or any amended or supplemental Declaration, for the erection, construction, maintenance and operation of wires, cables, pipes, conduits, lines and apparatus for the transmission of electricity, telephone, television and radio and for the furnishing of water, gas, sewer or other utilities or services. The Block 3 Association further reserves the right to convey or lease the whole or any portion of such easements or rights-of-way to any public or private agency, authority or utility. Easements and rights-of-way in perpetuity in the Properties are hereby reserved for the purpose of installing, maintaining and reading gas, electric and water meters, and the Block 3 Association may convey or lease same to such public or private agency, authority or utility for the purpose of exercising any rights under said easements and rights of way.

41. The Declarant reserves the utility easements and rights-of-way shown on the recorded plat of the Planned Development for the construction, addition, maintenance and operation of all utility systems now or hereafter deemed necessary by the Declarant for all public utility purposes, including electricity, telephone, gas, water and sewer services.

42. An underground telephone cable system will be installed on the Properties. Each Residential Unit in the development shall, at the expense of the Owner or builder of the Residential Unit, have a trench opened from the Lot to the utility easement across the Lot upon which the Residential Unit is being built, for installation of a telephone service cable, and the Owner shall close the trench after installation of the cable. The exact location of the trenches shall be designated by the telephone company.

43. An underground electric distribution system will be installed on the Properties. Each Owner shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities) the underground service cable and appurtenances from the point of the utility company's metering of the Owner's Lot to the point of attachment at such company's installed transformers or energized secondary

junction boxes.

44. The Declarant reserves the right to make minor changes in and additions to all easements for the purposes of most efficiently and economically installing utility systems.

45. The Declarant reserves the right to develop recreational and educational facilities in the Open Space.

46. Each Owner, present and future, by acceptance of a deed to a Lot is and shall be subject to each and all of the easements, restrictions, conditions, covenants and reservations contained herein and to the jurisdiction, right and power of the Block 3 Association and by such acceptance, does for himself, his heirs, personal representatives, successors and assigns, covenant and agree and consent to and with subsequent Owners of each of said Lots, to keep, observe, comply with and perform said easements, restrictions, covenants and conditions contained herein.

47. (Intentionally left blank)

48. Any violations of the provisions, conditions or restrictions contained herein shall warrant the Block 3 Association and/or Declarant to apply to any court of law or equity having jurisdiction thereof for an injunction or proper relief in order to enforce same; and the court may, in its discretion, award the plaintiff his court costs and reasonable attorney's. No delay on the part of the Block 3 Association, Declarant or any other person in the exercise of any right, power or remedy contained in this Declaration shall be construed as a waiver thereof or an acquiescence therein. Various rights and remedies of all persons and entities hereunder shall be cumulative and the Block 3 Association, Declarant or any Owner may use any or all of said rights without in any way affecting the ability of the Block 3 Association, Declarant or any Owner to use or rely on or enforce any other right.

49. In the event any one or more of the provisions, conditions, restrictions or covenants contained herein shall be held by any court of competent jurisdiction to be null and void, all remaining restrictions and covenants herein set forth shall remain in full force and effect.

50. The Block 3 Association and Declarant as well as their agents, employees and architects, shall not be liable to any Owner or any other party for any loss, claim or demand asserted on account of its administration of the restrictions and the performance of its duties hereunder, or any failure or defect in such administration and performance.

51. The Block 3 Association and/or Declarant hereby reserves the right to grant a reasonable variance or adjustment of the conditions and restrictions of this Declaration in order to overcome practical difficulties and prevent unnecessary hardships

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arising by reason of the application of the conditions and restrictions contained herein. Both variances or adjustments shall be granted only in case the granting thereof shall not be materially detrimental or injurious to other property or improvements of the neighborhood and shall not defeat the general intent and purpose of these restrictions.

**FIRST AMENDED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WILLOW SPRINGS
(BLOCKS 1 THROUGH 2B AND 8)**

1200
THIS AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WILLOW SPRINGS (BLOCKS 1 THROUGH 2B AND 8) is made this 10th day of July, 1986.

WHEREAS, Willow Springs Enterprises, Inc., as Declarant, recorded in the records of the Clerk and Recorder of Jefferson County, Colorado on May 7, 1985 and at Reception No. 85042522, a document entitled Declaration of Covenants, Conditions and Restrictions for Willow Springs (Blocks 1 through 2B and 8) (hereinafter "Declaration"); and 1-4

WHEREAS, pursuant to Article 10, Section 10.04 of the Declaration, any of the provisions of the Declaration may be amended by an amended Declaration approved by a vote of at least seventy five percent (75%) of the combined vote of the entire membership; and

WHEREAS, pursuant to Article 10, Section 10.04 of the Declaration, upon the recording of this Amended Declaration in the public records of Jefferson County, Colorado, this Amended Declaration shall be binding on all owners of real property covered by the Declaration; and

WHEREAS, pursuant to Article 10, Section 10.04 of the Declaration, any Amended Declaration shall be signed by the Board of Directors of Willow Springs Property Owners Association, Inc.; and

WHEREAS, the following amendments were approved by a vote of at least seventy five percent (75%) of the combined vote of the entire membership on May 29, 1986;

NOW THEREFORE, the Declaration is hereby amended as follows:

1. Article 10, Section 10.04 is amended in its entirety to read as follows:

Except as otherwise provided in this Declaration, any of the provisions of this Declaration may be amended by an Amended Declaration approved by a vote of at least 66 2/3% of the combined vote of the entire membership. The Amended Declaration shall be signed by the Board of Directors. Notwithstanding any provision of this

Declaration to the contrary, no amendment to this Declaration shall affect the rights of or interfere with or divest Declarant or the owners or operators of the Country Club of any rights or powers provided for or reserved in Declarant herein or such owners or operators, including, without limitation, the right to use and develop the properties, the planned development and the Country Club, unless approved or consented to in writing by Declarant or such owners or operators. Any amendment to be effective must first be properly recorded in the public records of Jefferson County, Colorado.

2. Paragraph 9 of Exhibit "C" to the Declaration is amended in its entirety to read as follows:

There shall be no construction of a residential unit, wall, fence, coping, swimming pool, or any other structure, or installation of a television satellite antenna, on any lot, or adjacent to any residential unit, nor shall there begin the exterior alteration of, including alteration of the color scheme, or addition to, any improvement or structure upon any lot, without first having obtained the written approval of the Architectural Control Committee.

Before anyone shall begin the construction, remodeling, addition to, or exterior alteration of any building, wall, fence, coping, swimming pool or any other structure whatsoever, on any Lot, there shall be submitted to the Architectural Control Committee of the Association, a complete set of plans and specifications of said structure, together with an engineering study prepared by a Licensed Professional Engineer specifying the surface drainage facilities, if any to be constructed as required by Paragraphs 10, 32 and 33 of this Exhibit "C". No work may begin on such structure or improvement until the plans and specifications and other documentation have been given a final written approval by the Architectural Control Committee. Such plans and specifications shall include a plot plan showing the location on the Lot of the structure, wall, fence, coping, swimming pool or any improvement proposed to be constructed, altered or placed, and elevation of same, together with the color scheme, materials and exteriors thereof. A decision of the Architectural Control Committee is final, and no building or improvement of any kind may be constructed without the prior written consent of the Architectural Control Committee. Such written consent shall not be

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construed to create any liability of the Architectural Control Committee or the Association for any defect or default in any plans or specifications with additional documentation as may ultimately be required by the Architectural Control Committee. Upon completion of the Construction of a Residential Unit upon a Lot, Owner shall provide the Association with a report prepared by a Licensed Professional Engineer containing said Engineer's findings as to the adequacy of the construction of surface drainage facilities, if any were required. Owner shall immediately correct any deficiencies noted.

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3. There shall be a new Paragraph 52 to Exhibit "C" to the Declaration which shall read as follows:

No motorhome, camper, trailer, boat, utility trailer, horse trailer, mobile home, snow mobile, pickup camper, trucks larger than a 3/4 ton pickup, or similar and like vehicles or equipment, may be visibly parked upon any lot or adjacent to any residential unit in Blocks 1 through 2B and 8, except as may be required for the immediate use by the owner thereof, but in no event in excess of seventy two (72) hours.

IN WITNESS WHEREOF, the undersigned being Directors of Willow Springs Property Owners Association, Inc., a Colorado nonprofit corporation, make this Amended Declaration on behalf of all Owners of said Association, on the date stated above.

WILLOW SPRINGS PROPERTY OWNERS
ASSOCIATION, INC.

Patricia D. Nisely
Director

David R. Deegan
Director

William J. Channing
Director

David R. Woodward
Director

Richard A. Seal
Director

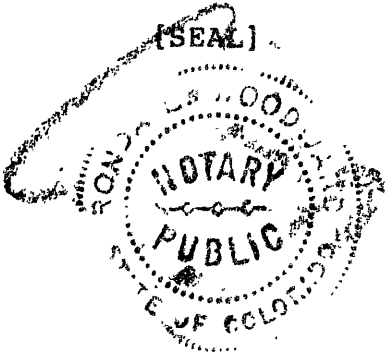
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STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

The foregoing Amended Declaration was acknowledged before me this 8th day of July, 1986 by Michael A. Stead, David L. Woodward, Daie Tollefson, Patricia Nisely, and Mike Chewning, being the Directors of Willows Springs Property Owners Association, Inc., a Colorado nonprofit corporation.

My Commission expires: 3/5/90

Ronda L Woodward
Notary Public



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