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PROTECTIVE COVENANTS

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PROTECTIVE COVENANTS
OF
COPPER MOUNTAIN FILING NO. 3

1. Recitals. (a) Copper Mountain, Inc., A Delaware corporation ("Grantor") is the owner of certain real property in Summit County, Colorado ("the Area"). Grantor desires to place certain restrictions on the use of the tracts, blocks and lots in that portion of the Area shown on the plat of Copper Mountain Filing No. 3, as recorded in the real property records of Summit County, Colorado (the "Plat") for the protection and mutual benefit of itself and other persons acquiring interests in the Area.

(b) The purposes of said restrictions are to enhance, protect, establish and maintain the character, value, desirability and attractiveness of real estate in Filing No. 3 and to insure development as a part of a self-contained village in the Area designed primarily to contain facilities and provide services, including lodging, restaurants, retail shops and entertainment and recreation opportunities, for skiers, vacationers, tourists, residents and transient guests.

(c) Grantor does hereby impose, establish, publish, acknowledge, declare and agree with, to and for the benefit of all persons who may hereafter purchase or lease any of the tracts, blocks or lots in the Area ("Grantee"), the following restrictions, covenants and conditions, all of which shall be deemed to run with the land and to inure to the benefit of and be binding upon Grantor and all parties now holding or hereafter acquiring any right, title or interest in the Area.

2. Planning and Architectural Control Committee.
The Planning and Architectural Control Committee shall consist of at least three members designated by Grantor, its successors and assigns to review, study and approve or reject proposed

improvements within the Area. The Committee shall have power to enforce the provisions of this instrument to make such rules and by-laws and adopt such procedures as it may deem appropriate to govern its proceedings and effect its function.

3. Approval of Plan. (a) No building, out building, fence, wall or other improvement or structure of any kind ("Improvement") shall be constructed, erected, placed or maintained on any tract, block or lot in the Area nor shall any addition thereto or alteration therein be made until plans and specifications showing the design, color, dimensions, location, materials, landscaping and such other information relating to the Improvement as the Committee may require ("the Plan") shall have been submitted to and approved by the Committee in writing. The decision of the Committee, approving or disapproving the Plan, shall be final.

(b) Criteria. In passing upon any such Plan, the Committee shall consider the following criteria which may be supplemented or amended by the Committee:

(i) the suitability of the Improvement (including the materials of which it is to be constructed) to the site upon which it is to be located;

(ii) the nature of adjacent and neighboring Improvements;

(iii) the nature, quality, type and color ranges of the distinguishing feature materials to be utilized in the proposed Improvement;

(iv) the effect of the proposed Improvement on the outlook of any adjacent or neighboring property; and

(v) the maintenance of the development theme and whether the Improvement will be so similar or dissimilar to others in the vicinity that values, monetary or aesthetic, will be impaired.

(c) Committee's Failure to Act. If the Committee fails to approve or disapprove a Plan in writing within

sixty (60) days after submission of all information requested by the Committee relating to such Plan, the Committee shall be deemed to have approved the Plan.

4. Land Use. The land in the Area shall be used for the following purposes:

(a) The numbered and lettered lots in Filing No. 3 shall be used only for apartments, condominiums (residential or commercial), retail shops, service shops, restaurants and tearooms, hotels, lodges, professional offices, medical clinics, entertainment and recreation facilities and for all public or quasi-public service facilities related to such uses including sewer, gas, water, electric and telephone facilities.

(b) In no event shall such lands be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, or be used in any other way inconsistent with these covenants.

5. Easements and Rights-of-Way. All interests in land in the Area shall be subject to the easements and rights-of-way for roads, lighting, electricity, gas, telephone, water, sewerage, bridle paths, pedestrian traffic and any other kind of public or quasi-public utility service reserved as shown on the Plat. No fence, wall, hedge, barrier or other structure shall be erected or maintained along, on, across or within the areas reserved for easements and rights-of-way. No such structure which will prevent unrestricted pedestrian movement shall be erected or maintained within 20 feet of the high water line along streams.

6. Signs. No signs, billboards, poster boards or advertising structure or media of any kind shall be erected or maintained on any lot or structure for any purpose whatsoever without the prior written approval of the Committee. Such approval shall be given only if the sign is (a) of attractive

design, (b) as small in size as is practicable, (c) to be placed or located as directed or approved by the Committee and (d) reasonable necessary for the identification of a residence or place of business, or (e) to give necessary warning of danger or (f) is otherwise required by law.

7. Water and Sewage. Each Improvement designed for human occupancy or use shall connect with the water and sewage facilities of the Copper Mountain Water and Sanitation District. No private well shall be used as a source of water for human consumption or irrigation, nor shall any facility be used for the disposal of sewage other than those provided by the Copper Mountain Water and Sanitation District in the Area. Mechanical garbage disposal facilities shall be provided in each kitchen or food preparation area.

8. Trash and Garbage. No garbage, clippings from trees, shrubs or lawns, trash, ashes or other refuse ("refuse") may be thrown, dumped or allowed to accumulate on any land within the Area. There shall be no burning of refuse out of doors. No incinerators or other device for the burning of refuse indoors shall be constructed, installed or used by any person except as approved by the Committee. Each Grantee shall provide suitable receptacles for the collection of refuse. Such receptacles shall be enclosed and screened from public view and protected from disturbance.

9. Livestock. Except in areas designated by the Committee, no animals, livestock, horses, insects or poultry of any kind shall be kept, raised or bred in the Area, however domesticated; dogs, cats and other household pets may be kept providing they are not kept, raised or bred for commercial purposes. Such household pets must be restrained on a leash or otherwise under the control of an individual when in public areas.

10. Trees. No trees in the area shall be truncated, cut (except for customary maintenance pruning) or removed except

by persons designated by the Committee without the prior written approval of the Committee.

11. Set Back Requirements. There shall be no general requirement for the location of Improvements with relation to property lines, but the location of each Improvement must be approved in advance by the Committee. In determining the proper location for each Improvement, the Committee shall consider the location of existing and future Improvements on adjacent property, the wishes of adjacent Grantees, and such other considerations as it may deem appropriate. The decision of the Committee shall be final. The provisions of paragraph 5 hereof shall apply to this paragraph.

12. Height Restrictions. There shall be no general restrictions on the height of any Improvement, but the height and number of floors in each Improvement must be approved in advance by the Committee.

13. Landscaping and Gardening; Alteration of Land Surface. None of the following shall be commenced without the prior written approval of the Committee:

(a) excavating, filling or similar disturbance of the surface of the land, including without limitation, change of grade, streambed, ground level or drainage pattern;

(b) clearing, moving, defacing or damaging of shrubs or other plant life; or

(c) landscaping or planting of trees, shrubs, lawns, flowers or plants.

All surface area disturbed by construction shall be returned promptly to its natural condition and replanted in native grasses, except where such areas are to be improved by the construction of gardens, lawns and exterior living areas, the Plans for which have been approved by the Committee.

14. Floor Space Requirements. No Improvement designed for human use or habitation shall be constructed unless the Committee determines that the total floor space and configuration

thereof is satisfactory for the intended use. The Committee shall have the right to establish standards for commercial and residential units and standards for the number of such units which must be contained in any Improvement.

15. Trade Names. No word, name (other than the proper name of an individual Grantee), symbol, or combination thereof shall be used to identify a structure, business or service in the Area for commercial purposes unless the same shall have been approved in writing by the Committee.

16. Temporary Structures. No temporary structure, excavation, basement, trailer, travel trailer, mobile home, camper, motor home, shack or tent or other living unit shall be erected, placed or maintained in the Area except as authorized by the Committee in an area or lot specifically designated for such use by the Committee or as may be necessary and authorized during construction of Improvements.

17. Construction. All Improvements erected or placed in the area shall be of new construction and no building or structures shall be moved from other locations into the Area without the written consent of the Committee. All structures built in the Area shall be prosecuted diligently to completion within 12 months after commencement in strict conformity with the Plan as approved by the Committee unless the Committee consents in writing to an extension of time. Such consent shall be given as a matter of course when delays in completion of construction are caused by strikes, unavailability of materials, fire, storms, acts of God or similar events not within the control of the particular Grantee. Failure to so complete construction of a structure or to obtain such consent to extend the time for completion shall operate automatically to revoke the Committee's approval for such structure and upon demand of Grantor the affected portion of the Area shall be restored as nearly as practicable

to its state existing prior to the commencement of any work related to such construction.

18. Hazardous, Noxious or Offensive Activity. No hazardous, noxious or offensive activity shall be carried on upon any property in the Area nor shall anything be done or placed on any property which is or may become a nuisance or cause danger, embarrassment, disturbance or annoyance to others.

19. Maintenance of Property. All tracts, blocks and lots including all Improvements thereon shall be kept and maintained by the Grantee thereof in a clean, safe, attractive and sightly condition and in a good state of repair.

20. Annoying Lights, Sounds or Odors. No light shall be emitted from any property which is unreasonably bright or causes unreasonable glare; no sound shall be emitted from any property which is unreasonably loud or annoying; and no odor shall be emitted from any property which is noxious or offensive to others.

21. Fences. No fences, walls or other barrier shall be built without the written consent of the Committee.

22. No Unsightliness. All unsightly structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure. Service areas and facilities for hanging, drying or airing clothing or fabrics shall be kept within an approved structure. Pipes for gas, sewer, drainage or other purposes, utility meters or other utility facilities, gas, oil, water or other tanks, and sewage disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground or shielded from view by appropriate landscaping.

23. Antennas. All Improvements constructed in the Area containing more than two units intended for human habitation shall include facilities for a master television and radio antenna system. No exterior television or radio antennas including master antennas shall be erected, placed

or maintained in the Area without the prior written consent of the Committee.

24. Anti-Discrimination. There shall be no discrimination because of race, color, religion, sex or national origin, against any employee or applicant for employment, any person seeking permanent, temporary or transient lodging or any person desiring to use any of the services now or hereafter available in the Area.

25. Effect and Duration of Covenants. Each provision contained herein which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of twenty-one years following the death of the survivor of Ethel Kennedy, the widow of Robert F. Kennedy, and the now living children of said person. All other provisions contained herein shall continue and remain in full force and effect until January 1 in the year 2070 A.D.

26. Amendment. The conditions, restrictions, stipulations, agreements and covenants contained herein shall be waived, abandoned, terminated or amended by Grantor only with the written consent of owners representing 75% of the privately owned land included within the boundaries of Filing No. 3 as the same may then be shown by the Plat. For purposes of this paragraph a lessee holding under the Grantor for a lease term in excess of 60 years (regardless of the number of years remaining in the lease term) shall be deemed an owner.

27. Enforcement. (a) Each provision of this instrument with respect to actions to be taken by the Committee shall be enforceable by Grantor or by Grantee by a proceeding for a prohibitive or mandatory injunction. Each provision of this instrument with respect to another Grantee or property of another Grantee shall be enforceable by Grantor or the Com-

mittee by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or, in the discretion of the Committee, for so long as any Grantee fails to comply with any such provisions, by resorting to the provisions of subparagraph (b) hereof.

(b) If any Grantee or person claiming through or under Grantee shall violate, breach or otherwise fail to comply with any term or provision of these protective covenants, Grantor either directly or through the Committee shall give Grantee written notice of such violation, breach or non-compliance by registered or certified mail to Grantee's last known address. If Grantee shall fail within five days after deposit of such notice in the mail to correct the violation described therein, Grantor and its authorized agents shall have the right to enter Grantee's premises and take whatever reasonable corrective action they consider appropriate. Grantee shall reimburse the Grantor for any expense incurred by it under the provisions of this subparagraph and the Grantor shall have a lien on the premises for the amount of any expenses so incurred.

(c) In addition to the remedies stated above, if any Grantee violates, breaches or fails to comply with any provisions of this instrument, and holds a leasehold estate in the Area, then such Grantee shall be deemed to be in default under said lease and Grantor shall have all the rights and remedies accruing to it under said lease in event of default.

(d) If court proceedings are instituted in connection with the rights of enforcement and remedies provided in this instrument, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorney's fees.

28. Protection of Encumbrancer. (a) If a Mortgagee of Grantee shall have given to Grantor, before any violation of

these protective covenants shall have occurred, a written notice, specifying the name and address of such Mortgagee, Grantor shall give to such Mortgagee written notice of Grantee's violation of this instrument addressed to such Mortgagee at the address last furnished to Grantor. In addition, no notice by Grantor to Grantee shall be deemed to have been given unless and until a copy thereof shall have been so given to such Mortgagee. Grantee irrevocably directs that Grantor accept, and Grantor agrees to accept, correction by any such Mortgagee of any breach, violation or non-compliance with these covenants by Grantee, provided such performance by said Mortgagee shall occur within 30 days after mailing of notice of said violation by Grantor. With respect to any breach, violation or non-compliance which cannot be cured by said Mortgagee within said 30-day period or until it obtains possession, said Mortgagee shall have a reasonable time to cure such violation, provided it diligently proceeds in good faith toward the curing of such violation or to enforce its remedies under its mortgage so as to obtain possession. Grantor hereby agrees that the curing or correction of Grantee's breach of these covenants by the Mortgagee within such time shall be deemed the curing or remedying thereof by Grantee.

(b) In the absence of such notice to Grantee's Mortgagee, no violation, breach of or failure to comply with any provision of this instrument and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien ("Encumbrance") on any property taken in good faith and for value and perfected by recording in the office of the County Clerk and Recorder, Summit County, Colorado, prior to the time of recording in said office of an instrument describing such property and listing those persons holding interests in the property and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce, affect, defeat, render invalid or impair

the title or interest of the holder of any such Encumbrance or any title or interest acquired by any purchaser upon foreclosure of any such Encumbrance or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this instrument except only that violations or breaches of, or failures to comply with, any provisions of this instrument which occurred prior to the vesting of such purchaser's interest shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns.

29. Invalidity; No Waiver. Invalidity or unenforceability of any provision of this instrument in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this instrument. Failure to enforce any provision of this instrument shall not operate as a waiver of any such provision or of any other provision of this instrument. A waiver of any provision of this instrument by the Committee for a particular Grantee shall not operate as a waiver or give rise to any right in any other Grantee to obtain a similar waiver.

30. Exceptions During Construction. During the course of actual construction of any permitted improvements, the provisions contained in paragraph 6, 8, 16, 18, 19, 20, 21 and 22 of this instrument may in the sole discretion of the Committee be waived to the extent necessary to permit such construction; provided that, during the course of such construction nothing is done which will result in a violation of any of said provisions upon completion of construction.

COPPER MOUNTAIN, INC., a Delaware corporation

Secretary

By _____
President

STATE OF COLORADO }
COUNTY OF } ss.

The foregoing instrument was acknowledged before me
this _____ day of _____, 19____, by _____
as _____ President and _____ as
_____ Secretary of Copper Mountain, Inc., a Delaware corporation.

My commission expires:

Witness my hand and official seal.

Notary Public