

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PLEASANT VALLEY VISTA SUBDIVISION, FILING NO. 2

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PLEASANT VALLEY VISTA SUBDIVISION, FILING NO. 2 ("Declaration") is dated this 4th day of May, 1999, and executed by the undersigned (hereafter "Declarants").

RECITALS:

A. Declarants are collectively the owners of the lots located in Pleasant Valley Vista Subdivision, Filing No. 2, a development in Ouray County, Colorado. Pleasant Valley Vista Subdivision is comprised of 5 lots within approximately 52 acres, as shown on the plat recorded at Reception No. 163007 in the real property records of Ouray County ("Plat"), at the Northwesterly perimeter of Pleasant Valley Vista Subdivision, and approximately five miles Westerly from the Village of Ridgway ("Property" or "Subdivision").

B. The Declarant for Lot 1 is Noble H. Heller III, and shall be referred to hereafter as "Heller Declarant" when separate reference to him as a Declarant is necessary. The Declarants for Lots 2, 3, 4 and 5 are David E. Wine and Myra E. Wine, and shall be referred to as "Wine Declarants" when separate reference to them as Declarants is necessary. Heller Declarant and Wine Declarants are collectively referred to as "Declarants."

C. For the purpose of enhancing and protecting the value, attractiveness, and desirability of the lots and open space included in the Subdivision, Declarants hereby declare that all the real property described above and each part thereof shall be held, sold and conveyed subject to the following easements, covenants, conditions, and restrictions, which shall constitute covenants running with the land and shall be binding on all parties having any right, title or interest in the above-described property, or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

D. This Declaration supersedes the document recorded in the real property records of Ouray County at Reception No. 165275, and any covenants, conditions and restrictions imposed or accepted by such document.

ARTICLE I
EASEMENTS AND ROAD DEDICATIONS

Section 1. Establishment of Easements. There are hereby established utility and road easements and road dedications in the locations shown on the Plat for the use and benefit of each and every lot. Such easements shall be appurtenant to and shall pass with the title to the lots subject to the restrictions and rights set forth below.

Section 2. Road Dedications. The roads, except for private drives, shown on the Plat are dedicated to the County of Ouray and may be used for all purposes for which public roads are customarily used and shall be subject to the restrictions on use set forth in any Ouray County regulations and such road use rules as may be imposed by Pleasant Valley Vista Filing No. 2 Homeowners Association, as hereinafter described.

Section 3. Road and Utility Easements. Road and utility easements shown on the Plat shall be used for installation and maintenance of public or quasi-public utilities and shall be subject to the restrictions on use set forth below.

Section 4. Restrictions on Use of Easements. Within road and utility easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the uses specified above. No dwelling unit or other structure of any kind shall be built, erected or maintained on any such easement and such easements shall, at all times, be open and accessible to public and quasi-public utility corporations, their employees and contractors, and shall be also open and accessible to the Wine Declarants and their assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on, under and above such locations to carry on any of the purposes for which such easements are reserved.

ARTICLE II
HOMEOWNERS ASSOCIATION

Section 1. Purposes and Powers. The Pleasant Valley Vista Filing No. 2 Homeowners Association ("Association") shall be established within sixty (60) days of recordation of this Declaration as a corporation organized pursuant to the Colorado Nonprofit Corporation Act. The Association shall exercise its statutory powers for the purposes set forth in this Declaration, including the maintenance and protection of the open space, the appointment and removal of the Architectural Control Committee, the repair and maintenance of road and utility easements, the levy and collection of assessments, when and if necessary, the enforcement of the covenants, conditions and restrictions set forth in this Declaration, and to otherwise exercise such powers as are reasonably necessary to fulfill its objectives and purposes.

Section 2. Members By acceptance of a deed to a lot in the Subdivision, each owner shall become a member of the Association. Such membership shall be appurtenant to and may not be separated from the ownership of any lot.

Section 3. Voting Rights. The Association shall have two classes of voting membership as follows:

A. Class A members shall be all owners, including Heller Declarant but with the exception of Wine Declarants, and shall be entitled to one vote for each lot owned upon matters subject to vote by the members as provided in the Articles and Bylaws of the Association. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as the owners thereof shall determine, but in no event shall more than one vote be cast with respect to any lot.

B. Class B members shall be Wine Declarants. There shall be three votes for each lot owned by the Wine Declarants, provided Class B membership shall only apply to lots owned by Wine Declarants which are either vacant (i.e., unimproved) or improved, but for which no certificate of occupancy has been issued by applicable governmental authority. Class B membership votes may only be cast by those Declarants who are the owners of the lots subject to Class B membership. Class B membership shall cease and be converted to Class A membership at such time as all of the lots within the Subdivision have been sold by Wine Declarants and a certificate of occupancy issued with respect thereto by applicable governmental authority.

Section 4. Liability of Officers and Directors. To the fullest extent provided by law, the officers and directors of the Association shall not have personal liability to the Association, the Association members, or any third party, including liability for tort or breach of fiduciary duty, when acting in their official capacity as an officer or director on behalf of the Association.

Section 5. Association Insurance. The Association shall be authorized and empowered to obtain and maintain the following insurance so far as such insurance coverage is obtainable, in the discretion of the Association:

A. Insurance coverage against casualty loss or damage to all property owned or leased by the Association.

B. Comprehensive general liability insurance with deductible amounts and coverage limitations as determined by the Association.

C. Workers' compensation coverage for employees and other liability insurance insuring the Association, board of directors, managers and agents in connection with the Association's purposes and activities.

D. Fidelity bonds to protect against dishonest acts on the part of those persons who receive and disburse funds for the Association.

E. Such other insurance as the board may deem desirable for the benefit of the Association or its members.

Section 6. Assessments. The Association may impose assessments in accordance with its Articles of Incorporation and Bylaws, provided that all assessments shall be fixed at a uniform rate for all lots. The Assessments, together with interest as may be specified in the Articles and Bylaws, costs and reasonable attorneys' fees, shall be a charge against the land and a continuing lien on each lot against which such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person or persons or entity who owned the lot at the time the assessment fell due, but such personal obligation shall not pass to the successors in title of such person or persons or entity unless expressly assumed by them. The Association may bring an action or law against the owner personally obligated to pay the assessment and/or may foreclose the lien against the property in the same manner in which mortgages are foreclosed in the State of Colorado. No owner may waive or otherwise escape liability for the assessments provided for by nonuse of the facilities of the Subdivision. The assessment lien provided for shall be subordinate to the lien of any first mortgage. A sale or transfer of any lot shall not affect the assessment lien.

ARTICLE III. ARCHITECTURAL CONTROL

Section 1. Establishment of an Architectural Control Committee. The Architectural Control Committee ("Committee") shall be established which shall initially consist of three (3) persons to be appointed by the Association Board of Directors. The initial Committee shall serve until two (2) of the lots have been sold by Wine Declarants. Following the sale of two (2) of the lots, the Board of Directors of the Association shall select three (3) members to the Committee each year. Each member of the Committee must at all times be a lot owner within the Subdivision or a Wine Declarant. A majority of the Committee may designate a representative to act for it. In the event of a death or resignation of any member on the Committee, the remaining members on the Committee shall appoint a successor (who shall also be a lot owner) to fill the unexpired term. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this section. At any time, the record owners of four

(4) of the lots shall have the power through a duly recorded written instrument to change the membership of the Committee or to remove from it or restore to it any of its powers and duties.

Section 2. Committee Approval Required. Subject to the other provisions of this Article III, no structure (including, without limitation, buildings, out buildings, walls and fences) shall be erected, placed or altered until the building plan specifications and plot plan, including the location of said building on said lot, shall have been approved in writing as to design and structure and as to location of the structure with respect to topography, finished ground elevation and proximity and visibility to home sites on adjacent lots by the Committee.

Section 3. Visual Impact. All development within the Subdivision shall comply with the visual impact criteria of the Ouray County Land Use Code in effect at the time of such development, and the visual impact provisions of this Declaration shall not be amended or altered without the prior written approval of Ouray County in accordance with the provisions of said Ouray County Land Use Code.

Section 4. Matters Considered. The Committee shall consider the aesthetic and functional design, appearance and impact of any improvement, including, but not limited to, the following:

- a. The overall nature and character of the site and appearances of structures, including orientation with regard to sun, wind, view and privacy, and the consistent quality use of exterior materials;
- b. The harmony of all improvement landscaping, including alterations thereof, with natural surroundings and existing Improvements considering external design, materials, color, siding, height, topography, foliage, grading and finish ground elevation. The use of earthen tones is recommended and encouraged and the use of bright colors is discouraged, and may be prohibited.
- c. The minimal grading of building sites to preserve natural terrain, foliage and establish drainage.
- d. The blending of patio structures, such that they will complement appurtenant structures, aluminum or plastic patio roofing material being prohibited.
- e. The use of plantings and ornamental shrubbery complimentary to the residential character of the Property, desert-style landscaping being recommended and encouraged.

Section 5. Approval. The Committee shall approve or disapprove all written plans within thirty (30) days after submission. In the event the Committee fails to take any action within such thirty (30) day period, the proposed improvement shall be deemed approved. The majority vote of the Committee shall be required for the approval or disapproval of any proposed improvement.

Section 6. Limitation on Liability. The Committee shall not be liable in damages to any owner or other person submitting requests for approval or to any owner or other person within the Property by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such request. The actions of the Committee shall be deemed conclusively binding upon the owners. Any owner submitting or causing to be submitted any plans or specifications to the Committee agrees and covenants on behalf of himself and his heirs, successors, legal representatives and assigns that he will not bring any action or suit at law or in equity against the Committee, or its members, advisors, employees or agents, for any act or omission of the Committee.

Section 7. Records Retention. The Committee shall keep records of its actions for a period of five (5) years, including records of plans and specifications, approvals or disapprovals, and other actions taken by it pursuant to this Declaration.

ARTICLE IV.
RESTRICTIONS ON USE

Section 1. Building Restrictions.

A. No main residential structure shall be permitted on any lot, the habitable floor space of which, exclusive of basements, porches and garages, is less than 1,500 square feet for a one level or 2,000 square feet if the building has more than one level. Appropriate ancillary buildings, such as detached garages, shops or barns, and one guest house or employee dwelling per lot, each with a minimum area of 500 square feet, in keeping with the architecture of the principal building, shall be permitted, provided, however, that no used or previously erected or temporary house, structure or nonpermanent outbuildings shall be placed or erected or allowed to remain on any of the land except during construction periods and no dwelling house shall be occupied in any manner prior to its completion. All lot improvements shall meet all existing county and state laws.

B. Once construction shall have been initiated on any structure, including walls, fences, residences, ancillary buildings, or other structures, construction of that particular structure shall be completed within one (1) year of the time such construction was initiated.

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clause re size.
prefer the 1500 sq' min
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Dance
10/15*

Such time periods may be extended under unusual circumstances in the discretion of and with the written approval of the Committee.

C. Each lot shall have an individual sewage disposal system approved under state and county regulations.

D. No "dusk to dawn" type lighting shall be installed by any owner which will illuminate neighboring parcels of land or direct light toward the sky. No flood type lighting shall be used that would be directed toward a neighboring lot.

E. No lot shall at any time be occupied by a mobile home, house trailer or other similar structure except for temporary storage of recreational vehicles which shall not be used for residential purposes except during construction. The type of construction generally known as "Factory Built Homes" shall be specifically considered by the Committee. Approval of requests for such construction will be at the discretion of the Committee, but the expressed guidelines included herein are to not grant such requests unless the resulting construction would appear in all general ways to be as if the final building were "site constructed" and in keeping with the general intent of this Declaration. For example, a typical "double wide trailer" would not be expected to be approved.

F. No basement, tent, garage, barn, shack or other outbuilding shall at any time be used for residential purposes.

G. In general, fences are to be discouraged and no fence shall be erected or maintained on the premises which shall unreasonably restrict or block the view from any adjoining lot or which shall materially impair the continuity of the general landscape or impair the movements of wildlife. The Committee must be consulted for guidance and approval concerning any proposed fence that would be seen from a road or neighboring lot.

Section 2. Maintenance of Lots and Improvements.

A. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, junked cars or other waste. No trash burning shall be allowed. Disposal of all rubbish, trash or garbage, junked cars or other waste shall be done by the owner of the lot at the expense of said owner, and said lots shall be kept clean and sanitary in accordance with and in consideration of the rules and regulations of the applicable county or state regulatory agencies, including, but not limited to, the Colorado Division of Wildlife and the Colorado State Forest Service.

B. In order to preserve the natural beauty of the Subdivision, oak, oak shrub, pine, juniper, cedar, spruce or other conifers may not be removed except to allow for the actual placement of buildings. Removal of additional trees in order to enhance the views from a specified building site and for tree health maintenance, tree pest control and to reduce fire hazards may only be done upon the approval of two-thirds of the Committee. No owner shall in any way, by improvement or otherwise, remove or destroy any plant or animal on the open space or alter the appearance of the open space.

Section 3. Home Occupations and Offensive Activities.

A. The lots shall be occupied for residential use as provided for in the Ouray County "Foot Hills Zoning District" with whatever additional restrictions that this Declaration imposes. Certain professional activities may be allowed, such as work done by "artists," "writers" or business executives, that would not require client traffic or other than normal mail or delivery service. No commercial or business uses will be allowed that create any noxious or offensive activity, or any visible outside activity that would indicate a commercial business being conducted, and nothing shall be done or permitted to be done on any lot which is a nuisance or might become a nuisance to the owner or owners of surrounding lots and residences.

B. No owner shall engage in any mining or mineral extraction of any kind within the Subdivision, including, without limitation, oil, gas carbon dioxide, coal, water, gravel or other minerals.

Section 4. Restrictions on Occupation and Pets.

A. Each lot will be used only for residential purposes with one family per residence. A live-in "caretaker" person or couple will be considered as part of the primary family and are required to have quarters included within the main residence, guest house or ancillary employee dwelling. Extended family members may also reside in the guest house and will be considered as part of the primary family. No lot is to be re-subdivided or reconfigured except in order to correct technical errors in lot lines or descriptions or by Wine Declarants before selling the affected lot or lots.

B. No animals shall be kept on any lot except ordinary household pets belonging to the household. In no event shall dogs, cats or any pets be allowed to run at large.

ARTICLE V.
GENERAL PROVISIONS

Section 1. Enforcement. Without having any obligation whatsoever to do so, the Association, the Wine Declarants, the Committee, any owner of a lot within the Subdivision and the County of Ouray, State of Colorado, may enforce all restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration and shall have the right to enforce such provisions included in this Declaration. The failure by the Wine Declarants, the Committee, any owner of a lot within the Subdivision and the County of Ouray, State of Colorado, to promptly enforce any of the terms, conditions, easements, restrictions, covenants and reservations of this Declaration shall not bar any enforcement thereof. In the event an action to enforce is brought, party seeking to enforce, if successful in such action shall be entitled to recover any costs and attorneys' fees incurred.

Section 2. Severability. Invalidation of any provision of this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendments. Wine Declarants reserve the right to amend this Declaration until three (3) of the lots have initially been sold by Wine Declarants, or if required by a lender or by law, by duly recording an instrument executed on behalf of Wine Declarants in the public records of Ouray County. Thereafter, this Declaration may be amended by duly recording an instrument executed and acknowledged by not less than four (4) of the owners of all of the lots in the Subdivision.

Section 4. Subordination. No breach of any of the conditions herein contained shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to the Subdivision or any lot therein; provided, however, that such conditions shall be binding on any owner whose title is acquired by foreclosure, trustee sale or otherwise.

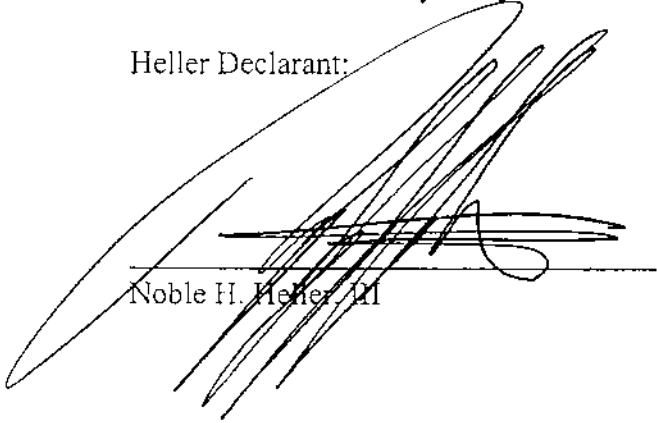
Section 5. Exemption from Colorado Common Interest Ownership Act. Notwithstanding any other provision contained herein, Declarants hereby affirmatively state that the Property contains less than ten (10) units and is not subject to any development rights. The Property is subject to sections 38-33.3-105 through 107, C.R.S., but is not subject to the remainder of the provisions of the Act set forth in section 38-33.3-101, et seq., C.R.S.

Section 6. Duration. This Declaration shall remain in effect until January 1, 2020, at which time said Declaration shall be automatically extended for two successive 10-year periods, unless an instrument in writing signed by two-thirds of the owners of the lots at that time has been recorded revoking this Declaration. This Declaration may be rescinded at any time by duly recording in the records of Ouray County, Colorado, an instrument duly executed by 100% of the then lot owners and

those holding encumbrances on the lots. Rights reserved by Wine Declarants shall not terminate upon termination of this Declaration.

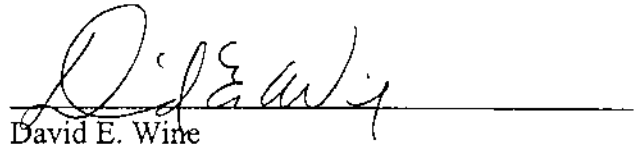
DATED the day and year first above written.

Heller Declarant:

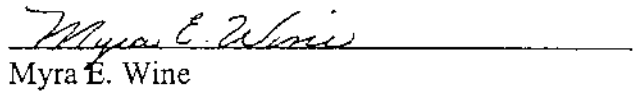


Noble H. Heller, III

Wine Declarants:



David E. Wine

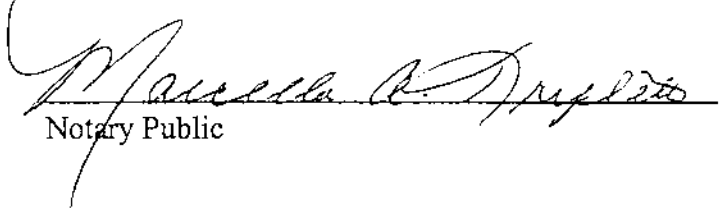


Myra E. Wine

STATE OF COLORADO)
) ss.
COUNTY OF OURAY)

The foregoing instrument was acknowledged before me this 4 day of May, 1999, by David E. Wine.

Witness my hand and official seal.
My commission expires: 3/18/01



Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF OURAY)

The foregoing instrument was acknowledged before me this 4 day of May, 1999, by Myra E. Wine.

Witness my hand and official seal.
My commission expires: 3/18/01



Marcelle A. Duplato
Notary Public

STATE OF WISCONSIN)
) ss.
COUNTY OF WAUKESHA)

The foregoing instrument was acknowledged before me this 30th day of April, 1999, by Noble H. Heller, III.

Witness my hand and official seal.
My commission expires: 12/22/02



Karen M. Hebert
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF OURAY)

The foregoing instrument was acknowledged before me this 4 day of May, 1999, by Myra E. Wine.
Witness my hand and official seal.
My commission expires: 3/14/01

[Signature]
Notary Public

STATE OF WISCONSIN)
) ss.
COUNTY OF WAUKESHA)

The foregoing instrument was acknowledged before me this 30th day of April, 1999, by Noble H. Heller, III.
Witness my hand and official seal.
My commission expires: 12/22/02

[Signature]
Notary Public