

AMENDED AND RESTATED PROTECTIVE COVENANTS
OF
THE RUEDI SHORES SUBDIVISION

The **RUEDI SHORES HOMEOWNERS' ASSOCIATION, INC.**, a Colorado nonprofit corporation (the "Association"), being comprised of the Owners of Lots in the **RUEDI SHORES SUBDIVISION** (the "Subdivision"), hereby adopts these Amended and Restated Protective Covenants, which shall supersede and replace in their entirety the Original Protective Covenants, and their First Amendment, recorded in the office of the County Clerk and Recorder of Eagle County, Colorado, on June 9, 1964, in Book 215 at Page 357, and on July 30, 1970, in Book 218 at Page 233.

ARTICLE 1
DEFINED TERMS

To supplement the definitions provided for in the Bylaws, the following terms shall have the meaning set forth below; provided, however, that, except as otherwise specifically provided herein and in the Bylaws, all terms used herein shall have the same definition as in the Colorado Common Ownership Interest Act and the Colorado Revised Nonprofit Corporation Act:

1.1 Act. The Act shall mean the Colorado Common Ownership Interest Act, codified at C.R.S. §§ 38-33.3-101, *et seq.*, as amended.

1.2 Allocated Interests means the Common Expenses liability and the votes in the Association allocated to each Lot, as further described in Section 3.2.

1.3 Architectural Review Committee or Committee. Architectural Review Committee or Committee means the committee appointed by the Board of Directors for the purpose of implementing the architectural review provisions of these Covenants and architectural guidelines for the Community to insure proper use, appropriate Improvement, and harmonious additions, alterations, and Improvements within the Community.

1.4 Assessment or Common Expense Assessment. Assessment or Common Expense Assessment shall include all common expense assessments, insurance assessments, utility assessments, and any other expense levied to Lots pursuant to these Covenants or the Act, including interest, late fees, attorney fees, fines, and costs.

1.5 Association. The Association shall mean and refer to the Ruedi Shores Homeowners' Association, Inc., its successors and assigns.

1.6 Association Property Association Property means, to the extent of the Association's interest therein: (a) all real and personal property, including Improvements, now or hereafter owned or leased by the Association; (b) all Common

Areas now or hereafter owned, leased or maintained by the Association, together with all improvements thereon; (c) all easements or dedications created or reserved on the Plat or in these Covenants, as amended, or in any separate agreement, for the use and benefit of the Association and/or the Owners; and (d) any water rights, ditch rights, and water systems, facilities and/or features (or interests therein) that may be owned, leased or maintained by the Association or which the Association is entitled to use. Association Property may be located within or outside the Community. With the exception of the above-described common areas and easements, Association Property does not include the Lots or the Improvements constructed thereon, and are subject to the Permitted Exceptions.

1.7 Board of Directors or Board. Board of Directors or Board shall mean the body, regardless of name, designated in the Governing Documents to act on behalf of the Association.

1.8 Common Elements or Common Area. Common Elements or Common Area shall mean all real property owned or managed by the Association for the common use and enjoyment of the Owners, as designated on the Plat, including all roadways within the Subdivision.

1.9 Common Expenses. Common Expenses shall mean and refer to all expenditures made and liabilities incurred by or on behalf of the Association, together with any allocation by the Association to reserves.

1.10 Common Interest Community. The Common Interest Community or the Community shall mean the Planned Community and its real property known as the "Ruedi Shores Subdivision," as further defined by, and subject to, the Plat and the Governing Documents, all of which is located in Eagle County.

1.11 Covenants. Covenants shall mean and refer to these Amended and Restated Protective Covenants for the Ruedi Shores Subdivision, recorded in the office of the Clerk and Recorder of Eagle County, Colorado.

1.12 Governing Documents. Governing Documents shall mean the Articles of Incorporation, the Bylaws, the Covenants, the Plat, and any Policies and Procedures adopted by the Association, as they may be amended.

1.13 Improvement. Improvement means any Structure, as defined herein, or improvement, structural or otherwise, alteration, addition, repair, excavation, grading, landscaping or other work which in any way alters any property within the Community, or the improvements located thereon, from its natural or improved state existing on the date these Covenants, as amended, was first recorded, including, but not limited to, dwelling units, buildings, outbuildings, additions, patio covers, awnings, the painting, staining or other change of any exterior surfaces of any visible structure, walkways, sprinkler or irrigation systems, garages, carports, roads, driveways, parking areas, ponds, ditches, fences, screening walls, retaining walls, stairs, decks, flag poles,

fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, gardens, poles, signs, tanks, solar equipment, wind harnessing or other energy generating equipment, exterior air conditioning. Once an Improvement has been constructed or accomplished on a property within the Community, any subsequent alteration of or addition to or removal of that Improvement shall also constitute an Improvement hereunder.

1.14 Lot. Lot shall mean and refer to any of the Lots shown upon the Plat of the Subdivision, together with all appurtenances thereto and improvements now or hereafter located thereon, with the exception of the Common Areas.

1.15 Member. Member shall mean any Owner. The terms "Member" and "Owner" may be used interchangeably herein.

1.16 Notice. Except as otherwise stated in the Governing Documents, Notice shall be made by transmitting information by US mail or electronically - by facsimile, email or posting to a website - to the Owner's mailing address, email address, or facsimile number, as appropriate and as it appears in the records of the Association. In addition, the Association shall post all such notices in a conspicuous place, if possible

1.17 Notice and Hearing. Notice and Hearing shall mean written notice delivered to an Owner(s) at the last known address of record via certified U.S. Mail, return receipt requested, and an opportunity to be heard at a Special Meeting of the Board of Trustees. The Notice shall include the Hearing date, location, time, and agenda.

1.18 Officer. "Officer" shall mean any person designated as an Officer of the association and any person to whom the executive board delegates responsibilities under the Act, including, without limitation, a managing agent, attorney, or accountant employed by the executive board.

1.19 Owner. Owner shall mean the owner of record title, whether one or more persons or entities to any Lot which is a part of the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation. The terms "Member" and "Owner" may be used interchangeably herein.

1.20 Planned Community. Planned Community shall mean the Common Interest Community, which is not a condominium or cooperative.

1.21 Plat. Plat shall mean, collectively, the Plat for Filing No. 1 of the Ruedi Shores Subdivision, recorded in the real property records of Eagle County in June 1969, in Book 215 at Page 358, and for Filing No. 2, on July 22, 1970, in Book 218 at Page 265.

1.22 Property. Property shall mean the Subdivision, together with all easements, rights, and appurtenances thereto and the buildings and Improvements erected or to be erected thereon, all of which are located in Eagle County and further described in, and subject to, the Plat and Governing Documents.

1.23 Policies and Procedures. Policies and Procedures shall mean those policies, procedures, and rules and regulations adopted by the Association, as required under the Act, at C.R.S. § 38-33.3-209.5(1)(b), and concerning: (I) Collection of unpaid assessments; (II) Handling of conflicts of interest involving board members; (III) Conduct of meetings, which may refer to applicable provisions of the nonprofit code or other recognized rules and principles; (IV) Enforcement of Declaration and rules, including notice and hearing procedures and the schedule of fines; (V) Inspection and copying of association records by Owners; (VI) Investment of reserve funds; (VII) Procedures for the adoption and amendment of policies, procedures, and rules; and (VIII) Procedures for addressing disputes arising between the Association and Owners.

1.24 Single-Family Dwelling. Single-Family Dwelling shall include and refer to all residential dwellings, including the primary residential unit.

1.25 Structure. Structure shall mean any structural Improvement, including but not limited to a dwelling unit, other building, garage, shed, greenhouse, pen or cage, patio, playhouse, tree house, or gazebo.

1.26 Subdivision. Subdivision shall mean the Ruedi Shores Subdivision. Subdivision and Community may be used interchangeably herein.

ARTICLE 2 IDENTIFICATION OF COMMUNITY

2.1 Name and Type. The type of Common Interest Community is a Planned Community. The name of the Planned Community is the "Ruedi Shores Subdivision." The name of the Association governing the Community is the "Ruedi Shores Homeowners' Association, Inc."

2.2 Property. The Planned Community is located in Eagle County, Colorado, which is more particularly described as Lots 1 through 45, Block 1, and Lots 1 through 31, Block 2, as designated on that certain Plat of Subdivision Filing No. 1, recorded in June 1969, in Book 215 at Page 358, and Filing No. 2, recorded July 22, 1970, in Book 218 at Page 265 (collectively referred to herein as the "Plat"). All easements, licenses, and other encumbrances to which the Community is subject are shown on the Plat or reflected in these Covenants.

2.3 Number of Lots. The Community is composed of 76 single-family Lots.

2.4 Owners' Easements of Enjoyment. Every Owner, including the Owner's family, tenants, and guests, shall have a right and easement of enjoyment in and to any Common Area, which easement shall be appurtenant to and shall pass with the title to every Lot, subject to:

- a. The right of the Association to promulgate and publish Policies and Procedures, and Rules and Regulations, with which each Owner and their tenants, invitees, licensees and guests shall strictly comply;
- b. The right of the Association to suspend the voting rights and, after Notice and Hearing, to suspend the right to use any Common Area during any period of violation of any other provision of the Governing Documents;
- c. The right of the Association upon approval of at least seventy-five percent (75%) of the Owners, to mortgage the Common Area as security for that purpose, provided that the rights of such mortgage shall be subordinate to the rights of the Owners;
- d. The right, power, and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting any Common Area: and
- e. The right of the Association to close or limit the use of any Common Area while maintaining, repairing and making replacements in any Common Area.

ARTICLE 3 THE ASSOCIATION

3.1 Membership. As further explained in the Bylaws of the Association, every record Owner of a fee interest in any Lot subject to these Covenants shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for such membership. Each Lot shall be allocated one (1) vote which shall be cast as a single vote and shall not be subject to fractional voting. No votes allocated to a Lot owned by the Association may be cast.

3.2 Allocated Interests. The Allocated Interests (the Common Expenses liability, and the votes in the Association allocated to each Lot), are based on the total number of votes in the Association. Each Lot shall have an Allocated Interest of 1/76 regardless of the number of dwelling units built thereon.

3.3 Association Management of Common Elements. The Association shall own, operate, maintain, and repair all roadways within the Subdivision for the common benefit of Owners and Occupants of Lots within the Subdivision.

- a. The Subdivision's water distribution and fire system and all water rights serving the Subdivision are owned and operated by the Ruedi Shores Metropolitan District, a Colorado special district.

3.4 Easements.

a. Association's Easement of Access and Use. The Association shall have an easement of access and use over and across each Lot as necessary to the performance of obligations in these Covenants; provided, however, that this easement and use thereof shall not unreasonably interfere with or impair the use of any Improvements constructed on any Lot and shall be exercised only after reasonable notice to the Owner of the Lot.

b. General Emergency Easements. The Association, and all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Community, shall have a nonexclusive easement for ingress and egress to enter upon any part of the Community in the performance of their duties.

ARTICLE 4 ASSESSMENTS

4.1 Personal Obligation to Pay Assessments for Common Expenses. Each Lot, and each Owner, by acceptance of a deed therefore, whether or not it is so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association Assessments for Common Expenses and such other Assessments as imposed by the Association. Such Assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association shall be the personal obligation of the Lot Owner at the time when the Assessment or other charges became due. Pursuant to the Act, Assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Association, shall constitute an automatic and continuing lien against each Lot until paid in full. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Owner may become exempt from liability for payment of the Assessments by waiver of the use or enjoyment of the Common Areas or by abandonment the Lot against which the Assessments are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Board is not properly exercising its duties and powers under these Covenants.

4.2 Apportionment of Common Expenses. Except as provided in these Covenants, all Assessments, including Special Assessments, for Common Expenses shall be assessed against all Lots in accordance with the formula for liability for the Common Expenses as set forth in Section 3.2.

4.3 Annual Levy of Assessments. The Common Expense Assessment may be made on an annual basis against all Lots and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and

performance of its duties during such Assessment year. The budget shall be submitted to the Owners for ratification pursuant to the Act and as set forth in the Bylaws, as amended. Assessments, apportioned based on the Allocated Interests, shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Board. The omission or failure of the Board to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

4.4 Special Assessments. In addition to the annual Assessments authorized above, the Association may levy, in any Assessment year, a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Areas, including fixtures and personal property related thereto, or for any other purpose deemed necessary and appropriate by the Board; provided that any such Assessment shall have the assent of the majority vote of the Owners at a properly noticed meeting.

4.5 Default Assessments. All monetary fines assessed against an Owner pursuant to the Governing Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Governing Documents, shall be a Default Assessment and shall become a Lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in these Covenants.

4.6 Lot Specific Assessments. The Association shall have the right to add to any Owner's Assessment, those amounts expended by the Association for the benefit of any individual Lot and the Owner thereof, including, but not limited to: a) fines, improvement, repair, replacement and maintenance of a Lot that an Owner has failed to perform (after notice as provided in these Covenants); b) improvement, repair, replacement and maintenance to the Common Area caused by the negligent or willful acts of any Owner, his guests, employees, licensees, lessees or invitees; and c) all other expenditures or charges which the Board, in its sole discretion, chooses to allocate to a Lot.

4.7 Effect of Non-Payment of Assessment. Any Assessment, charge or fee provided for in these Covenants, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date hereof, as established by the Board, shall bear interest at the rate established by the Board, on a per annum basis from the due date. In addition, the Association may assess a reasonable late charge thereon as determined by the Board. Failure to make payment within sixty (60) days of the due date thereof shall cause the total amount of such Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, charges or fees, or monthly or other installments thereof, and may also foreclose on its lien against such Owner's Lot. An action at law or in equity by the Association against a Lot Owner to recover a money judgment for unpaid Assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefore. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to stop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Lot at a public auction or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment lien, and an Owner abandons or leaves vacant his or her lot, the Board may take possession and rent said Lot or apply for the appointment of a receiver for the Lot without prior notice to the Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

4.8 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien Security Interest on the Lot (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Lot shall not affect the lien for said Assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Owner from continuing liability for any Assessment charges thereafter becoming due, nor from the lien thereof.

ARTICLE 5
COVENANTS AND RESTRICTIONS OF USE, ALIENATION, AND OCCUPANCY

5.1 Residential Use. No Lot shall be used for any purpose other than residential purposes. No buildings, improvements or structures shall be constructed on any Lot other than a single-family dwelling, and such other Improvements and structures as are incidental or appurtenant to single-family dwelling. No Lot shall be occupied at any time by more than a single family and its guests, including merged lots described in Section 5.5. No Lot may be used as access to any property outside of the subdivision. No driveway shall be built or maintained which would provide access to property outside of the Subdivision.

5.2 Stick-Built Construction Required. Manufactured homes, modular homes, mobiles homes, trailer homes and motor homes, except as provided below, on a temporary or permanent basis, are not permitted.

5.3 Structures Restricted. No more than three Structures are permitted per Lot, as defined in Section 1.26.

5.4 Re-subdivision. No Lot may be re-subdivided into Lots smaller than one (1) acre in size.

5.5 Merger. Two or more lots may be merged if no more than one single family dwelling has been built upon said lots and after application for legal merger to Eagle County. The merged Lots shall be treated as one Lot – limited to one single family dwelling, one vote, and one Allocated Interest. To this end, the Allocated Interests set forth in Section 3.2 shall be recalculated accordingly.

5.6 Pets. No animals, livestock or poultry shall be kept on any Lot other than household pets; provided however, that if any household pet becomes a nuisance or a danger to the residents, their guests, or neighbors of the Subdivision, or to the general public, the Association shall have the right to order the Owner(s) of such pet to remove it from the Subdivision. No horses shall be kept, stabled or visited upon any of the property.

a. Dogs. All dogs shall be confined within the lot upon which they reside. Electronic/Radiocollar fencing is encouraged. All kennels or fences shall be approved by the Architectural Committee, as described below. If any dogs are kept on the Property without adequate facilities to contain the dog(s), the Association may compel the Owner to immediately remove the animal(s) from the Lot until adequate containment is built. At no time shall dogs be allowed to run freely in the Subdivision out of the control of the owner. Dogs outside their yard, kennel or dog run must be on a leash or under the direct control of the Owner or a responsible designee. Any dog(s) kept within the Property must be licensed to the extent required by Eagle County and must wear any tags required by Eagle County. Contractors or subcontractors working on the property shall not bring dogs.

5.6 Commercial Activities. No commercial activities shall be permitted on the Property, except that owners shall be allowed to maintain home offices within their

residences so long as such does not result in members of the public coming to the residence on a regular basis and all required approvals are obtained from Eagle County. No business may be operated in the Subdivision which produces any sight, sound or smell that is detectable, including but not limited to, the coming and going of people and vehicles.

5.7 Signs. Signs and advertising devices of any nature are prohibited in the Subdivision; provided, however, that each Owner may post:

- a. a small sign, no larger than six inches (6") by eighteen inches (18"), in form and design approved by the Architectural Committee showing the Owner's name and/or the address of the Lot, and
- b. a small sign, no larger than eighteen (18") by thirty-six inches (36"), in form and design approved by the Architectural Committee, to indicate that the lot is for sale and the party, address (it is preferred by the local fire department – Basalt - that the address be visible from the road), and/or telephone number to contact for information about such sale, and
- c. such other type of sign(s) as may be approved in writing by the Architectural Committee.

5.8 Sewage Treatment. Each lot owner shall be required to construct and maintain an individual sewage disposal system (ISDS) in accordance with Eagle County standards. All disturbed areas shall be re-vegetated and approved by the Architectural Committee.

5.9 Drainage Control. Owners shall provide culverts where driveways cross road ditches and irrigation ditches. The minimum size culvert shall be fifteen inches (15") in diameter and be Corrugated Metal Pipe (CMP). The CMP should extend three (3) feet beyond the driveway edges. Once installed culverts will be maintained by the Owner with physical assistance of HOA manager. No Owner will do or permit any work, place any landscaping or install any other improvements or suffer the existence of any condition whatsoever which will alter or interfere with the ditch easement areas or drainage pattern for the Property, except to the extent such alteration and drainage pattern is approved in writing by the Architectural Committee.

5.10 Temporary Structures. No tent or shack shall be placed upon any Lot, and no temporary building, Improvement, or structure shall be placed upon any Lot, including any trailer. No such temporary building, improvement or structure, and no garage or barn, and no building, improvement or structure in the course of construction, shall be used, even temporarily, as a residence. Notwithstanding the foregoing, upon an Owner's completion of construction of a residence on his Lot, and upon such Owner's receipt of a permanent Certificate of Occupancy from the Eagle County, a recreational vehicle ("RV"), shall be permitted to be placed at such residence, in accordance with Section 5.12 below; provided, however, that such recreational vehicle/camper is not lived in or used as a residence at any time.

5.11 Maintenance of Property:

a. Each Owner shall keep the same clear and free of rubbish and trash and shall keep the structures thereon in good repair, doing such maintenance as may be required for this purpose. No burning of rubbish is allowed.

b. Garbage cans, facilities, wood piles, storage yards, equipment and other unsightly items shall be enclosed within a solid, covered structure or screened from view. Any refuse or trash container, oil or water tank, service area or storage pile must be enclosed or appropriately screened from view by planting or fencing approved by the Architectural Committee. Any gas tanks placed on a lot shall be properly maintained, inconspicuous or buried in accordance with your gas company.

c. No bulk materials, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any lot, and no vacant Lot shall be permitted to be used for the storage of anything whatsoever, except building materials during the course of construction, and only for such reasonable period of time as is necessary prior to collection or disposal thereof.

d. No abandoned or unregistered vehicles of any kind will be stored or parked on any portion of the property, other than within enclosed garages.

e. No use or activity shall be permitted on any Lot which causes, emits or releases noxious or offensive odor or unreasonably loud sounds to be transmitted to any other property.

f. No unsightly object or nuisance shall be erected, placed or maintained within the Subdivision, nor shall any use or thing be permitted which may endanger the health or unreasonably disturb the holder of any Lot in the Subdivision.

g. New tree planting within the Subdivision shall be encouraged at all times. Large scale plantings and landscape projects must be approved by the Architectural Committee. Water restrictions may apply as determined by the Ruedi Shores Metro District.

5.12 Motorized Recreational Equipment or Vehicles. An Owner, after completion of construction of a residence on their Lot, and who has received a permanent Certificate of Occupancy from the Eagle county Building Department, may store a maximum of two

(2) motorized recreational equipment/vehicles including RVs, boats, dirt bikes, and snowmobiles, and trailers required for the same, unenclosed on their property.

5.13 Exterior and Interior Lighting. No lights shall be permitted on any Lot which would cause unreasonable glare to be emitted onto neighboring property. Lights must be fully shielded, down directed and / or screened from adjacent Lots in a manner that prevents light trespass.

5.14 Open Fires. No open fire shall be lighted or permitted on any Lot, except in a contained permanent or moveable barbecue unit when in use for cooking purposes only.

5.15 Firearms. No firearms shall be discharged upon any Lot.

5.16 Weed Management.

a. Responsibility of Owners. Owners shall maintain the surface of all Lots in a condition which will minimize the risk of soil erosion and weed infestation. Owners shall landscape, restore, or re-vegetate with weed free seed and mulch all excavations, fills, and other construction which disturb the existing vegetation. Further, Owners shall not intentionally introduce weeds or invasive plant or animal species to their Lots, and shall control noxious weeds and invasive species on their Lots in accordance with federal, state and local laws and regulations.

b. Responsibility of Association. The Association shall maintain all roadways and roadsides in a condition which will minimize the risk of soil erosion and weed infestation. The Association shall landscape, restore, or re-vegetate with weed free seed and mulch all excavations, fills and other construction which disturb the existing vegetation. Further, the Association shall not intentionally introduce weeds or invasive plant or animal species to the Common Areas or roadsides, and shall control noxious weeds and invasive species on said property in accordance with federal, state and local laws and regulations.

5.17 Miscellaneous. Swimming pools and tennis courts shall not be permitted within the Subdivision.

ARTICLE 6 ARCHITECTURAL COMMITTEE

6.1 Composition. The Architectural Committee ("AC") shall be composed of three (3) natural persons appointed by the Board of Directors of the Association. The persons serving on the AC shall serve at the pleasure of the Board, who may remove and replace a member of the AC at any time. Members of the AC may also be Directors or Officers of the Association and need not be Owners. The Architectural committee shall have and exercise all the powers, duties and responsibilities set forth herein.

6.2 Approval by AC. Prior to construction of any Improvements – including excavation, clearing, landscaping, alterations, and exterior remodels – an Owner shall

first obtain written approval from the AC. Owners shall contact the AC for Submission Guidelines, which can also be found at www.ruedishores.com > HOA Information and Documents > Architectural Resources > Guidelines for Architectural Review. Improvements requiring approval include *but are not limited to*: all dwelling units, garages, outbuildings, parking areas, outdoor Jacuzzis, fences, walls, landscaping, and driveways.

6.3 Submission Requirements. Prior to construction of any Improvements, Owner shall submit, in triplicate, to the AC complete architectural plans with specifications and a site plan showing the location, orientation, and elevation of said Improvement for review and approval. Owner shall contact the AC for current Rules and Regulations, Submission Fees, and Submission Guidelines

6.4 AC Review. Within fifteen (15) days of Owner's submission of all Submission Requirements described above, the AC shall notify Owner, in writing, of the application's status as complete or incomplete. Within thirty (30) days after the AC has deemed an application complete, the AC shall either approve or deny the application. If the AC denies the application, it shall provide, in writing, an explanation to Owner as to how the application fails to comply with the AC's Rules and Regulations or the Association's Governing Documents.

6.5 Building Permit. In addition to the design review process detailed herein, each Owner shall obtain approvals, licenses, and permits as required by Eagle County and the State of Colorado prior to commencing construction. Compliance with the AC's design review process is not a substitute for compliance with the State of Colorado and Eagle County building, zoning, subdivision and land use regulations. An Owner may apply for a building permit for any structure from the Eagle County Building Department prior to application to the AC; provided, however, that the plans submitted to the Building Department shall not differ from the plans approved by the AC. If the plans submitted to the Building Department differ from the plans approved by the AC then all approvals of the AC shall be deemed automatically revoked.

6.6 Variances. The AC may, by a majority vote of the members of the AC, allow a reasonable variance from the terms of these Covenants or the AC's Rules and Regulations when, owing to the peculiar conditions of the subject Lot, a strict interpretation of these Covenants or the AC's Rules and Regulations would work an unnecessary hardship on the Owner and if the general intent and purpose of these Covenants and the AC's Rules and Regulations would be preserved after the variance is granted. An Owner shall submit to the AC an application for variance, detailing the peculiar conditions of their Lot, the hardship that would result if the variance is denied, and how the variance will affect the general intent and purpose of these Covenants and the AC's Rules and Regulations as well as proof of written notice to all adjacent Lot Owners. Within thirty (30) days, the AC shall hold a hearing on the variance request, which hearing it shall notice in writing to all Owners by posting of notice on the mailbox board.

6.7 General Requirements. The AC shall exercise its best judgment to see that all improvements, construction, landscaping and alterations within the Subdivision conform and harmonize with the surroundings and with other structures as to design, materials, color, sighting, height, topography, grade, finished ground elevation, and the preservation of aesthetic beauty. In its review of any proposed Improvement, the AC shall evaluate, among other things, the materials to be used on the outside of buildings or structures, including exterior colors, harmony of architectural design with other structures within the Subdivision, location with respect to topography and finished grade elevations and harmony of landscaping with the natural setting and native trees, bushes and other vegetation within the Subdivision.

a. View-shed. The AC shall protect the seclusion and view of each Lot insofar as possible in the development of the Subdivision pursuant to these Covenants and shall endeavor to protect and preserve the visual character of the Subdivision. To this end, each Improvement shall be located on each Lot so as to (1) preserve the use, enjoyment and access – including view planes - of every other occupant of the Subdivision; (2) keep traffic flow amiable for construction, road construction, entering and exiting the property; and (3) promote neighborly conduct.

b. Drainage. In addition, the AC shall preserve the Subdivision's natural drainage. No structure shall be placed or located on any Lot in such a manner that will obstruct, divert or otherwise alter the natural water drainage courses and patterns. Likewise no landscaping or changes to the existing terrain shall be made which shall obstruct, divert or otherwise alter such drainage.

6.8 Preliminary Approvals. An Owner may submit preliminary sketches of proposed Improvements to the AC for informal and preliminary approval or disapproval. All preliminary sketches should be submitted in triplicate, and should contain sufficient general information on those matters required to be in the complete architectural and site development plans and specifications to allow the Architectural Committee to act intelligently on giving an informed preliminary approval or disapproval. The Architectural Committee shall never be finally committed or bound by any preliminary or informal approval or disapproval until such time as complete architectural and site development plans, specifications, materials and colors are submitted and approved or disapproved. The Architectural Committee may charge a fee for providing a preliminary review.

6.9 Liability of AC. The AC shall not be liable for damages to any Owner submitting plans for approval by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove with regard to such plans. Further, the AC shall have no liability or responsibility for any representations made by its Members to any Owner or prospective owner.

6.10 Written Records. The AC shall keep and safeguard for at least three (3) years complete permanent written records of all approved applications including one (1) set of

final architectural and site development plans as well as minutes and resolutions memorializing all other actions, approvals, and disapprovals of the AC.

6.11 Authority to Promulgate Rules and Regulations. The AC shall promulgate and adopt Rules and Regulations necessary to implement these Covenants. Said Rules and Regulations may include a) Submission Requirements concerning the type of information, reports, plans and specifications; b) site specific limitations, restrictions or guidelines for each Lot; and c) payment of reasonable fees for processing or reviewing the application. The AC may also adopt rules and regulations governing any development on any common open space, roads and easements not inconsistent with the requirements of these Covenants or County approvals.

6.12 Specifications.

a. Size of Structures. The primary structure on any Lot shall consist of no more than one (1) single-family dwelling house with a floor area of at least ONE THOUSAND THREE HUNDRED (1,300) SQUARE FEET, AND NOT GREATER THAN THREE THOUSAND FIVE HUNDRED (3,500) square feet. Other Structures, not to exceed two (2), are permitted with a combined square footage not to exceed the square footage of the primary building structure. No structure shall be erected or installed except concurrently with or after construction of the single-family dwelling house. All other Structures shall conform in appearance with the primary dwelling house.

b. Height of Structures. The maximum height of any structure in the Subdivision shall be twenty-eight feet (28'). For the purposes of this paragraph, "maximum height" shall mean the maximum possible distance measured adjacent to the building from the natural undisturbed ground slope.

6.13 Prompt Completion of Structures. Construction or installation of any Improvement or Structure shall proceed promptly and diligently after approval by the AC. Unless the time is extended in writing by the AC, failure to complete construction of the Structure, including all site remediation and landscaping, within one (1) year after the date of approval shall constitute an automatic revocation of the approval.

6.14 Right of Inspection. The AC may enter upon any Lot at any reasonable time, with notice to the Owner, for inspection of any Improvement.

ARTICLE 7
GENERAL PROVISIONS

7.1 Compliance and Enforcement.

a. By Owners: Every Owner and occupant of a Lot shall comply with the Governing Documents, and each Owner shall have the right, to enforce the covenants and restrictions, as set forth in these Covenants.

b. By the Association: The Association, acting through the Board, its Directors, Officers, and Committee Members may enforce all applicable provisions of these Covenants, and may impose sanctions for violation of the Governing Documents. The Board shall have the sole discretion to determine which enforcement action to pursue in any particular case, subject to the record and the duty to exercise judgment and reason. As provided herein a decision of the Board to forego enforcement action shall not be construed as a waiver of the Association's right to enforce such provisions at a later time, under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule. Such enforcement actions may include, without limitation:

i. Imposing reasonable monetary fines, after Notice and Hearing, which fine shall constitute a lien upon the violator's Lot. In the event that any occupant, guest, or invitee of a Lot violates the Governing Documents and a fine is imposed, in the Board's sole discretion, the fine may first be assessed against the violator; provided, however, if the fine assessed against the violator is not paid within the time period set by the Board, the Owner shall pay the fine after Notice and Hearing;

ii. Suspending the right to vote until the offending Owner cures the violation;

iii. Recording a notice of violation against the Owner and the Lot;

iv. Exercising self-help (including but not limited to performing such maintenance responsibilities which are the Owner's responsibility under these Covenants and assessing all costs incurred by the Association against the Lot and the Owner as an Assessment) or taking action to abate any violation of the Governing Documents;

v. Requiring an Owner, at the Owner's expense, to remove any Improvement on such Owner's Lot in violation of the Governing Documents and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board shall have the right to enter onto the property, remove the violation, and restore the property to substantially the same condition as previously existed, at the Owner's expense, and any such action shall not be deemed a trespass;

vi. Without liability to any person, the Association precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of these Covenants from continuing or performing any further activities in the Community;

vii. Levying specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents; and

viii. Bringing suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

7.2 Cumulative Remedies. All remedies set forth in these Covenants and the Governing Documents shall be cumulative of any remedies available at law or in equity.

7.3 Attorneys' Fees. In any action to enforce these Covenants or any other Governing Document of the Association, the prevailing party shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

7.4 Protection of Encumbrancer. No violation or breach of any restriction, covenant or conditions contained herein, and no action to enforce the same, shall defeat, render invalidate, or impair the lien of any mortgage or deed of trust taken in good faith for value, or the title or interest of the holder thereof, or the title acquired by any purchaser upon foreclosure of any such mortgage or deed of trust.

7.5 Severability. Each of the provisions of these Covenants shall be deemed independent and severable. If any provision of these Covenants or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of these Covenants which can be given effect without the invalid provisions or applications.

7.6 Binding Effect; Term. These Covenants shall run with and bind the Lots and Property described herein in perpetuity.

7.7 Amendment by Owners. Any provision, covenant, condition, restriction, or equitable servitude contained in these Covenants may be amended, revised, removed or repeated, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval of more than sixty-seven percent (67%) of the votes in the Association and with the written consent of the Association; provided, however, that any provision herein required as a condition of approval of the Subdivision by the Eagle County Board of County Commissioners may not be amended without approval by the Eagle County Board of County Commissioners at a public meeting. Notice of any Association meeting at which a proposed amendment shall be considered shall state the fact of consideration and the subject

matter of the proposed amendment. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Eagle County of a certificate setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

7.8 Amendment by Association. The Association shall have the authority to amend, revise, remove, repeal or add any provision to these Covenants, as provided in the Bylaws, without Owner or mortgagee approval, only as necessary to confirm with any applicable local, state, or federal law.

7.9 Recordation of Covenants. The Association shall immediately record these Covenants in the real property records of Eagle County, Colorado.

7.10 Challenge to this Amendment. All challenges to the validity of these Covenants must be made within one (1) year after the date of recording of this document.

7.11 Waiver. Any forbearance or failure to enforce any provisions of these Covenants shall not operate as a waiver of any such provision or of any other provision of these Covenants or of any subsequent enforcement provisions.

7.12 Conflicting Provisions. In case of conflict between these Covenants and the Articles of Incorporation or Bylaws of the Association, these Covenants shall control. In the case of conflict between the Articles and Bylaws, the Articles shall control.

7.13 Successors and Assigns. The covenants, terms, conditions, and restrictions of these Covenants shall be binding upon, and inure to the benefit of, the Owners, their guests, invitees, occupants, personal representatives, heirs, successors, transferees, and assigns; and the Association, its Board of Directors, Committee and Members, Officers, successors, transferees, and assigns.

These AMENDED AND RESTATED PROTECTIVE COVENANTS were duly approved and adopted by at least sixty-seven percent (67%) of the Members of the Ruedi Homeowners' Association at a Regular/Special/Annual Meeting on the _____ of _____, 2010.

ATTEST:

RUEDI SHORES HOMEOWNERS'
ASSOCIATION, INC., a Colorado
nonprofit corporation

Secretary

By Lynn Colhoun, President

STATE OF COLORADO)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by Lynn Colhoun, as President, and _____, as Secretary of RUEDI SHORES HOMEOWNERS' ASSOCIATION, INC., a Colorado nonprofit Corporation, on behalf of said corporation.

WITNESS my hand and official seal.

Notary Public _____