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Declaration of Individual and/or
Interval Ownership

for

Eagle's Loft
Archuleta County, Colorado

BOOK 200 PAGE 834

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DECLARATION OF INDIVIDUAL AND/OR INTERVAL OWNERSHIP
FOR EAGLE'S LOFT

KNOW ALL MEN BY THESE PRESENTS:

That this Declaration is made this 26th day of July, 1983 by Fairfield - Eaton, Inc., hereinafter called the "Developer", a Delaware corporation; Pagosa Property Owners Association, Inc., hereinafter called the "P.O.A.", a Colorado non-profit corporation; and Eagle's Loft Property Owners Association, Inc., herein called the "Association", a Colorado non-profit corporation; and all Persons who hereafter may acquire an interest in The Property delineated on that certain plat captioned "Eagle's Loft - Phase I", prepared by Joe Jones and Associates, Inc. as recorded in Reception No. 117699, in the Office of the County Clerk and Recorder in and for Archuleta County, Colorado or in such other property as may be subjected to the provisions hereof as herein provided.

W I T N E S S E T H :

WHEREAS, the Developer is the owner in fee simple of The Property described on the aforesaid plat of Eagle's Loft Phase I and also described on Exhibit "A" attached hereto, said property herein called "The Property"; and

WHEREAS, the Developer desires to subject The Property to a plan for the individual and/or interval ownership of Lots therein; and

WHEREAS, the P.O.A., which was organized to further and promote the common interests of property owners in the development known as "Fairfield Pagosa", has agreed that The Property is acceptable as an addition to Fairfield Pagosa; and,

WHEREAS, the Association, the operating entity of The Property and such other property as hereafter may be developed with The Property referred to herein as the "expansion property", in a plan of development known and to be known as Eagle's Loft and specifically subjected to the provisions hereof, has agreed to convey certain interests in a portion of The Property to Lot Owners and such others as the Association may determine.

NOW, THEREFORE, for and in consideration of the premises, it is agreed as follows:

The Developer hereby publishes its plan as to the division of The Property, the imposition of restrictive and protective covenants, conditions, restrictions, reservations, liens, agreements and charges thereon, and the

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individual and/or interval ownership thereof, and hereby specifies that the provisions of this Declaration (with the exception of the Management Agreement attached hereto) shall run with The Property and shall bind and inure to the benefit of the parties hereto, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

As used in this Declaration, amendments hereof and supplements hereto, unless the context otherwise requires, the following definitions shall prevail:

(a) "Association Properties" shall mean such property as is owned by the Association from time to time in accordance with the terms of this Declaration.

(b) "Board of Directors" shall mean the Board of Directors of the Association.

(c) "Common Area" shall mean all that property delineated as such on the aforesaid plat of Eagle's Loft Phase I exclusive of Lots and all property delineated on the plat or plats of any expansion property exclusive of Lots.

(d) "Common Expenses" means and includes (1) all expenses incident to the administration, maintenance, repair and replacement of the common elements and payment of insurance premiums, after excluding therefrom any and all expenses which are the responsibility of a Lot Owner or Lot Week Purchaser; and (2) expenses determined by the Association to be common expenses.

(e) "By-laws" shall mean the by-laws of the Association as they exist from time to time.

(f) "Interval Ownership" shall mean a concept whereby Lots are conveyed for periods of time, the Owner receiving a stated time period for a period of years together with a remainder over in fee simple as tenant in common with all other Owners of "Lot Weeks" in each particular Lot on the first Saturday in January in the year 2023, with the following definitions being applicable to such concept:

- (i) Lot Week shall be a separate interest in a Lot Committed to Interval Ownership for a stated period of time per year for a stated number of years together with a remainder interest in said Lot in fee simple and shall be computed as follows: Lot Week No. 1 is and shall be the seven-day period commencing at 4 o'clock p.m. on the first Saturday of each year. Lot Week No. 2 is and shall be the seven-day period next succeeding. Addi-

tional weeks up to and including Lot Week No. 51 are computed in like manner. Lot Week No. 52 contains the seven days succeeding the end of Lot Week No. 51 without regard to the month or year, plus any days not otherwise designated prior to the commencement of Lot Week No. 1 for the next succeeding calendar year. Each Lot Week shall run from 4 o'clock p.m. on the first Saturday thereof to 4 o'clock p.m. on the last Saturday thereof; provided, however, that all Lot Week Owners shall relinquish occupancy to the Association or Management Firm for the last six-hour period of each Lot Week (from 10 o'clock a.m. until 4 o'clock p.m. on Saturday) to allow for cleaning, repair, maintenance and any other preparation needed for the occupancy of the next Lot Week.

- (ii) Lot Week Owner shall mean a person owning one or more Lot Weeks, whether entirely, jointly, or in common with others.
- (iii) Lot Committed to Interval Ownership shall mean any Lot conveyed under a plan of Interval Ownership. A Lot shall become a Lot Committed to Interval Ownership upon the recording of the first deed for such Lot conveying Lot Weeks in such Lot. No Lot may be committed to Interval Ownership by any person or entity other than the Developer. Notwithstanding the above, the Developer may assign its right to commit Lots to Interval Ownership to any Person to whom it conveys substantially all Lots which it then owns in Eagle's Loft. A Lot no longer will be a Lot Committed to Interval Ownership at any time thereafter that all Lot Weeks are owned by the same Person; provided that the Developer thereafter may recommit any Lot reacquired by the Developer to Interval Ownership by recording a deed conveying Lot Weeks in such Lot.

(f) "Lot" shall mean any individual numbered Lot shown and delineated on the aforesaid plat of Eagle's Loft Phase I or shown and delineated on the plat or plats of any expansion property. The term Lot shall include the Pedestal Unit constructed thereon.

(g) "Lot Owner" shall mean any Person owning one or more Lots, including those Owners under purchase contract, but shall not include a mortgagee unless

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such mortgagee has acquired title pursuant to foreclosure or some other process in lieu of foreclosure. Whenever the term Lot Owner or Lot Owners is used within the context of this Declaration, any amendment hereof or supplement hereto, it shall be construed to include all Lot Week Owners within any Lot Committed to Interval Ownership as one Lot Owner.

(h) "Maintenance Weeks" shall mean two Lot Weeks which may be set aside each year for maintenance and repair of a Lot and the Pedestal Unit erected thereon.

(i) "Management Agreement" shall mean any agreement between the Association and any entity providing for the management of Eagle's Loft.

(j) "Management Firm" shall mean and refer to such firm or entity as shall be responsible for the management of Eagle's Loft as provided in the Management Agreement or Management Agreements as may be entered into from time to time.

(k) "Occupant" shall mean any person or persons in possession of a Lot.

(l) "Person" shall mean an individual, firm, corporation, partnership, association, trust, any other legal entity, or any combination thereof.

(m) "Purchaser, Lot Purchaser, or Lot Week Purchaser" shall mean any Person who purchases a Lot or Lot Week from the Developer either by cash payment or by an installment sales contract, such Person's heirs, successors and assigns.

(n) "Recreational Fee" means the fee assessed by Developer for the maintenance, use and enjoyment of certain recreational facilities at Fairfield Pagosa, Archuleta County, Colorado.

(o) "Pedestal Unit" shall mean any structure constructed on any Lot shown on the aforesaid plat of Eagle's Loft Phase I or on any Lot shown on any plat or plats of any expansion property.

ARTICLE II

OWNERSHIP AND MAINTENANCE OF COMMON AREA

The Developer may retain the legal title to the common area for the use and benefit of Lot Owners until construction of any and all improvements is completed and then shall convey the common area to the Association as provided for herein. The Association shall grant and convey unto all Lot Owners and such others as the Association may determine, their heirs, successors and assigns, a non-exclusive easement for the right of ingress, egress and regress to and from the Lots by vehicular conveyance or otherwise over such portion or

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portions of the common area as shall be developed and improved as driveways and parking areas and by foot over the balance of such Common Area.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

(a) Membership and Voting Rights in the P.O.A. Each Purchaser of a Lot or Lot Week shall become a member of the P.O.A. as more specifically provided in the P.O.A.'s Articles and Bylaws as same may be amended from time to time. For the Purchaser of a Lot which is not committed to Interval Ownership, there shall be two memberships and two votes in the P.O.A. for each Lot purchased. For each Lot Committed to Interval Ownership, there shall be two votes on behalf of all Lot Week Purchasers within such Lot in the P.O.A., and each Lot Week Purchaser by accepting a deed or executing a contract of purchase appoints irrevocably until 4:00 p.m. on the first Saturday in the year 2023 the Board of Directors of the Association or its designee to represent such Purchaser at any regular or special meeting of the P.O.A. The Association shall not be entitled to votes for Lot Weeks set aside or conveyed to it for maintenance purposes.

(b) Membership and Voting Rights in the Association. There shall be one person with respect to each Lot who shall be entitled to vote at any meeting of the Association and such person shall be known and is referred to herein as the "Voting Member". If a Lot is owned by more than one person, the Owners of such Lot shall designate one of them as the Voting Member. In the case of a corporate Owner, only a designated officer or employee of the corporation may be the Voting Member. Each Owner or group of Owners shall be entitled to one vote for each Lot owned. The designation of the Voting Member shall be subject to such provisions and restrictions as may be set forth in the By-laws. Notwithstanding the above, each Lot Week Owner shall be entitled to vote at meetings of the Association and shall be entitled to a 1/50 vote for each Lot Week owned. The Association shall not be entitled to votes for Lot Weeks set aside or conveyed to it for maintenance purposes.

ARTICLE IV

COMMON EXPENSES AND COMMON PROFITS

Common Expense shall mean the expense of administration, maintenance, repair and replacement of Association Properties and the Common Area and such other expenses as are provided for as common expenses herein or by the Association.

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The Common Expenses of Eagle's Loft shall be shared equally by the Lot Owners. The Lot Week Owners share of the Common Expenses in his Lot shall be further broken down in accordance with his percentage of ownership interest in the Lot pursuant to Article VII and shall be assessed as a part of the maintenance fee. In the event of expansion of this regime as provided for herein, the Common Expenses shall be adjusted accordingly.

The common profits shall be applied to the payment of Common Expenses, and the rights in any surplus remaining shall appertain to the Lots in proportion to the liability for Common Expenses appertaining to each such Lot. Any surplus shall be accordingly credited to the next assessment chargeable to the Lot Owners and Lot Week Owners.

ARTICLE V

MAINTENANCE FEE FOR LOTS COMMITTED TO INTERVAL OWNERSHIP

All Lot Week Purchasers in Lots Committed to Interval Ownership shall pay a maintenance fee. The maintenance fee shall include but not be limited to the following:

- (a) The particular Lot Week Purchaser's share of common expense.
- (b) Repair and upkeep of all Lots Committed to Interval Ownership.
- (c) Funds necessary for lease, purchase or repair and replacement of furniture, fixtures, appliances, carpeting and utensils, for all Lots Committed to Interval Ownership, and reserves, if any, necessary therefore;
- (d) Casualty insurance on the contents of all Lots Committed to Interval Ownership.
- (e) Utilities for all Lots Committed to Interval Ownership.
- (f) Personal property and any other taxes applicable to all Lots Committed to Interval Ownership and not included in the common expense.
- (g) Charges for membership in an exchange organization known as FAX or its successor.
- (h) The Recreational Fee levied by Developer pursuant to Article X of this Declaration.
- (i) Charges levied by the P.O.A. pursuant to Article X of this Declaration.
- (j) Any other expenses incurred in the normal operation and maintenance of the Lots Committed to Interval Ownership which cannot be attributed to a particular Lot Week Owner.

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The maintenance fee shall be prorated among all Lot Week Purchasers of Lot Weeks upon terms and conditions which will reflect a fair and equitable allocation of expenses of the regime as between Lot Week Purchasers. The maintenance fee and prorated application thereof shall be assessed and collected by the Association or its designated agent pursuant to a Management Agreement as provided in Article XVIII herein. No maintenance fee shall be assessed for any Lot Week conveyed to the Association. The Developer shall not be assessed a maintenance fee for those Lot Weeks which it owns.

ARTICLE VI

MAINTENANCE WEEKS IN LOTS COMMITTED TO INTERVAL OWNERSHIP

Upon the sale of fifty (50) Lot Weeks in a Lot Committed to Interval Ownership, or earlier at the option of the Developer, the Developer agrees to convey to the Association and the Association agrees to accept from the Developer two unsold Lot Weeks in said Lot to be used for maintenance purposes. The Developer shall have the right to choose the unsold Lot Weeks to be so conveyed. In the event any one Person becomes holder of record title to all other Lot Weeks in a Lot, that Person may cause the Association to convey the Lot Weeks reserved for maintenance to such Person by notifying the Association in writing of his desire that said Lot Weeks be so conveyed. The Association shall execute all documentation necessary to complete such conveyance no later than sixty (60) days after such notice. All expenses of said conveyance, including documentary fees and recording fees, if any, shall be borne by the Person requesting such conveyance. Should such Lots again become a Lot Committed to Interval Ownership, the same maintenance weeks shall be conveyed to the Association. Notwithstanding the above, the ownership of the two Maintenance Weeks by the Association shall be for the use and benefit of all Lot Week Owners in a particular Lot Committed to Interval Ownership. Upon termination of Interval Ownership for a particular Lot Committed to Interval Ownership as provided for herein, by operation of law or otherwise, the Association shall convey its legal title to the Lot Weeks reserved for maintenance to the remainder of the Lot Week Owners in such Lot.

ARTICLE VII

INTERVAL OWNER'S PERCENTAGE INTEREST IN LOTS

In the case of a Lot Committed to Interval Ownership, each Lot Week Owner in such Lot shall own in remainder a percentage share of the Lot according to the following schedule:

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Week Numbers
Owned

1 - 51
52

Percentage Share in Remainder
for Each Week Owned

1.9165
2.2585

ARTICLE VIII

METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended or supplemented by the Developer as long as the Developer owns two Lots or the equivalent number of Lot Weeks or by the Association upon the majority vote of Voting Members constituting not less than 75% of the total vote of the members of the Association at any regular or special meeting of the Association called and convened in accordance with the By-laws. No amendment hereof or supplement hereto shall be effective until properly recorded in the Office of the County Clerk and Recorder in and for Archuleta County, Colorado. No amendment or supplement shall change, affect or alter an Owner's percentage interest in the Lot, a Lot's proportionate share of the common expense, or the voting rights appurtenant to any Lot unless the record owners thereof and all record owners of first mortgages thereon shall join in the execution of the amendment or supplement. No amendment or supplement shall be passed which shall impair or prejudice the rights and priorities of any first mortgagee or change the provisions of this Declaration with respect to first mortgagees without the written approval of all first mortgagees of record. No amendment or supplement shall change the rights and privileges of the Developer without the Developer's written approval so long as the Developer shall own two Lots or the equivalent thereof in Lot Weeks.

ARTICLE IX

THE OPERATING ENTITY

The Association shall be the operating entity of the Eagle's Loft. The Association shall have all the powers and duties granted to or imposed upon it by this Declaration, the By-laws, and its Articles of Incorporation as they may be amended from time to time. A copy of the By-laws and a copy of the Articles of Incorporation are attached hereto as Exhibits "B" and "C" respectively. Each Lot Owner, whether his Lot has been acquired by purchase, gift, conveyance, operation of law or otherwise, shall be bound by this Declaration, the By-laws, the Articles of Incorporation of the Association and any Management Agreement.

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ARTICLE X

ASSESSMENTS

A. Association Assessments. The Association shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the common expense of the Eagle's Loft as provided for in Article IV hereof, the maintenance fee as provided for in Article V hereof, and such other assessments as may be necessary or appropriate. All assessments, including assessments for common expense and maintenance fees, that are unpaid for a period of ten (10) days after due shall bear interest at the highest rate allowed by law from the due date until paid, and at the sole discretion of the Board of Directors, a late charge of \$25.00 also shall be due and payable. The Board of Directors may increase, decrease or eliminate the late charge in its sole discretion. Regular assessments shall be due and payable monthly on the first day of each month and monthly bills for same shall not be mailed or delivered to Lot Owners. Maintenance fees shall be due and payable on January 1 of each year.

The Association shall be entitled to a lien on each Lot or Lot Week and all tangible personal property owned by the Lot Owner or the Lot Week Purchaser and located upon such Lot for unpaid assessments and interest thereon, and such lien shall be deemed perfected upon the filing in the Office of the County Clerk for Archuleta County of a Notice of Claim of Contractual Lien in such form as the Association may deem appropriate. Such lien shall include reasonable attorney's fees incurred by the Association incident to the collection of such assessments and/or the perfecting and foreclosing of such liens, together with all sums advanced and paid by the Association for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its liens, and shall be payable by the Lot Owner or Lot Week Purchaser. The Board of Directors may take such action as it deems necessary to collect assessments by personal action or by foreclosing its lien, and may settle and compromise the same if deemed to be in its best interest. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose any such lien and to apply as a cash credit against its bid all sums due as provided herein and covered by the lien to be enforced. In case of such foreclosure, the Lot Owner or Lot Week Purchaser shall be required to pay a reasonable rental for the Lot plus the percentage of common expense attribut-

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able to such Lot for the period of time such Lot is occupied by the Lot Owner or Lot Week Purchaser or anyone claiming by, through or under such Lot Owner or Lot Week Purchaser; and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect same from the Lot Owner, Lot Week Purchaser, and/or Occupant.

In the case of a lien against a Lot Week Purchaser in a Lot Committed to Interval Ownership, such lien shall be limited to the Lot Weeks owned by such Lot Week Purchaser and shall not encumber the property, real or personal, of any other Lot Week Purchaser in said Lot.

Where the mortgagee of a first mortgage of record or other Purchaser of a Lot obtains title to a Lot as a result of foreclosure of a first mortgage, such mortgagee or Purchaser shall not be liable for the share of common expense or assessments by the Association pertaining to such Lot or chargeable to the former Lot Owner which became due prior to the acquisition of title as a result of the foreclosure. Such unpaid share of common expense or assessments shall be deemed to be a common expense collectable from all Lot Owners, including such mortgagee or Purchaser.

Any Person who acquires an interest in a Lot, except through foreclosure of a first mortgage, including without limitation Persons acquiring title by operation of law and Purchasers at judicial sales, shall not be entitled to occupancy of the Lot until such time as all unpaid assessments due and owing by the former Lot Owner or Lot Week Purchaser have been paid. The Association shall have the right to assign its claim and lien rights for the recovery of any unpaid assessments to the Management Firm, the Developer, any Lot Owner, any group of Lot Owners, or any third party.

B. Developer's Assessment (Recreational Fee). All Lot Owners and Lot Week Purchasers shall be required to pay a recreational fee to the Developer for the use, enjoyment and continual maintenance of the recreational facilities at Fairfield Pagosa owned by Developer, its successors or assigns.

Recreation fees owed to the Developer shall be collected by the Association along with the Association assessments provided for herein. A Lot Week Purchaser, his family and/or his guests or those occupying a Lot by or through said Lot Week Purchaser shall be entitled to use the recreational facilities owned by the Developer at Fairfield Pagosa subject to applicable use rates, during the period of time in which said Lot Week Purchaser, his family or guests are occupying said Lot, so long as the recreational fee is paid.

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The Developer shall have a lien on each Lot or Lot Week together with that Lot or Lot Week's percentage of the Common Area assigned to it and all tangible personal property owned by the Lot Owner or the Lot Week Purchaser and located within said Lot, for unpaid recreational fees and interest thereon. Such lien upon the aforesaid tangible personal property shall be subordinate to prior bona fide liens of record. The Developer's lien shall also be subordinate to the lien of the Association provided for above. Reasonable attorney's fees incurred by the Developer incident to the collection of recreational fees or the enforcement of the lien securing the payment of the recreational fee, together with all sums advanced and paid by the Developer for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Developer in order to preserve and protect its lien, shall be payable by the Lot Owner or Lot Week Purchaser and secured by such lien. In the case of a lien against Lot Weeks owned by a Lot Week Purchaser in a Lot Committed to Interval Ownership, the Developer's lien shall be limited to the Lot Weeks owned by said Purchaser and shall not encumber the property, real or personal, of any other Owner of Lot Weeks in said Lot. Any Person who acquires an interest in a Lot shall not be entitled to occupancy of the Lot or enjoyment of the Common Areas until such time as all unpaid recreational fees due and owing by the former Lot Owners or Lot Week Purchasers have been paid to the Developer. The Developer shall have the right to assign its claim and lien rights for the recovery of any unpaid recreational fee to any third party.

C. The P.O.A.'s Assessment.

1. Every Lot Owner and Lot Week Owner acquiring title, legal or equitable, to any Lot or Lot Week in Eagle's Loft shall become a member of the Pagosa Property Owners Association, Inc., a Colorado non-profit corporation, herein referred to as the "P.O.A." and as long as he/she is the owner of any such Lot or Lot Weeks he/she must remain a member of the "P.O.A." Such membership is not intended to apply to those persons who hold an interest in any Lot merely as security for the performance of an obligation to pay money, e.g., mortgagees and holders of Deeds of Trust, although it is intended to apply to Lot Week Purchasers who purchase by way of a Contract of Sale. If a mortgagee should realize upon his/her security and become the Owner of a Lot or Lot Week or Weeks he/she will then be subject to all the requirements and

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limitations imposed in these restrictions on Lot Owners and Lot Week Owners and on members and associate members of the P.O.A., including those provisions with respect to payment of annual charges.

2. The general purpose of the P.O.A. is to further and promote the community welfare of the property owners in the Fairfield Pagosa development.

3. The P.O.A. shall be responsible for the maintenance, repair, and upkeep of the amenities owned by it within the Fairfield Pagosa development. The P.O.A. shall also promulgate and enforce all regulations necessary for the use and enjoyment of such amenities and such other properties as it may from time to time own or maintain.

4. The P.O.A. shall have all the powers that are set out in its Articles of Incorporation and all other powers that belong to it by operation of law, including (but not limited to) the power to levy against each member and associate member of the P.O.A., except for the Developer, an annual charge per Lot and per Lot Week, the amount of said charge to be determined by the Board of Directors of the P.O.A. after consideration of current maintenance needs and future needs of the P.O.A., for the purposes set forth in its Articles of Incorporation. No such charge shall ever be made against, or be payable by the Developer, the P.O.A. itself, or any corporation or corporations that may be created to acquire title to, and operate, the water or sewer utilities serving the area, or any lakes, dams, beaches, lake access tracks, marinas, golf courses, tennis courses, swimming pools, club house grounds, camp grounds, or other like recreational facilities.

(a) Every such charge so made shall be paid by the member or associate member to the P.O.A.'s designee, Eagle's Loft Property Owners Association, Inc., or its assigns, on or before the first of January of each year, for the ensuing year. The Board of Directors of the P.O.A. shall fix the amount of the annual charge per Lot and per Lot Week on or before the first day of December of each year, for the ensuing year and written notice of the charge so fixed shall be sent to each member or associate member on behalf of the P.O.A. by the Association or its assigns.

(b) If any such charge shall not be paid when due, it shall bear interest from the date of delinquency as previously provided for herein. The annual charge, if unpaid within 30 days of its due date shall become a lien or encumbrance

upon the Lot or Lot Week and the acceptance of each deed to a Lot or Lot Weeks, or the execution of a Contract of Sale for the purchase of a Lot or Lot Weeks, shall be construed to be a covenant on the part of the grantee or purchaser to pay the charge. The P.O.A. may publish the names of the delinquent members, and may record a lien to secure payment of the unpaid charge plus costs and reasonable attorney's fees. Every such lien may be foreclosed at any time. In addition to the remedy of lien foreclosure, the P.O.A. shall have the right to sue for such unpaid charges, interest, costs, and reasonable attorney's fees, in any court of competent jurisdiction as for a debt owed by any delinquent member to the P.O.A. Each Lot Owner and Lot Week Owner whether he/she shall have legal or equitable title to his/her Lot or Lot Week shall be conclusively held to have covenanted to pay the P.O.A. or its designee all charges that the P.O.A. shall make pursuant to any paragraph or sub-paragraph in this Declaration or its By-laws. Any Lot or Lot Week acquired is taken subject to the lien for any prior unpaid charges.

- (c) The P.O.A. shall upon demand at any time furnish a certificate in writing signed by an officer of the P.O.A. certifying that the charges on a specified Lot or Lot Weeks have been paid or that certain charges against said Lot or Lot Weeks remain unpaid, as the case may be. A reasonable charge may be made by the Board of Directors of the P.O.A. for the issuance of the certificates. Such certificates shall be conclusive evidence of payment of any charges therein stated to have been paid.

5. The sums accumulated as the result of the charges levied by the P.O.A. shall be used to promote the facilities of and the health, safety and welfare of the members and associate members of the P.O.A. and in particular for the improvement and maintenance of the amenities and other property within the Fairfield Pagosa development which shall have been conveyed to or which shall be maintained by the P.O.A.

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6. The Lien of a mortgage or Deed of Trust representing a first lien placed upon any Lot or Lot Weeks for the purpose of permanent financing and recorded in accordance with the laws of Colorado, shall be, from the date of recordation, superior to any and all such liens provided for herein.

7. The Board of Directors of the P.O.A. shall have the right to suspend the voting rights (if any) and the right to the use of the properties which may be owned and operated or maintained by the P.O.A. of any member or associate member:

- (a) For any period during which any P.O.A. charge (including the charges and the fines, if any, assessed herein) owed by the member or associate member remains unpaid; and
- (b) During the period of any continuing violation of this Declaration after the existence of the violation shall have been declared by the Board of Directors of the P.O.A.

ARTICLE XI

EXPANSION OF EAGLE'S LOFT

The Developer may subject reserved properties and/or properties adjacent to, contiguous to, or in the general vicinity of Eagle's Loft Phase I to development as a part of the Eagle's Loft regime. To insure the orderly development of such properties, this Declaration may be made applicable to such properties and such properties may be subjected to administration by the Association and/or by the Management Firm by the filing of a Supplemental Declaration which clearly refers to, adopts and confirms this Declaration as being applicable to and binding on such additional properties. In the event of such expansion of the Eagle's Loft, the percentage of common expense to be borne by the Lot Owners and Lot Week Purchasers shall be adjusted accordingly.

The Developer does hereby covenant and warrant that if any additional buildings and/or Pedestal Units are added to Eagle's Loft they will be of similar quality and constructed in a workmanlike manner and in the same architectural style as the original Pedestal Units in Eagle's Loft Phase I.

ARTICLE XII

INSURANCE PROVISIONS

A. Purchase of Insurance. The Association shall obtain policies of insurance providing coverage as follows:

- 1. Casualty. The Pedestal Units and all improvements upon The Property shall be insured in an amount equal to the maximum insurable re-

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placement value as determined annually by the Board of Directors. Such coverage shall afford protection against:

- (a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement.
- (b) Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as such Units, including but not limited to vandalism and malicious mischief.

2. Insurance on Personal Property within Lots Committed to Interval Ownership. All personal property located upon Lots Committed to Interval Ownership shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors without deduction for depreciation. The premiums for such insurance shall be a part of the maintenance fee. All proceeds of such insurance shall be used for the purpose of repair or replacement of any loss or, in the event such loss is not to be repaired or replaced, shall be divided among all Lot Week Purchasers in such Lots in accordance with the pro-rata portion of the maintenance fee last paid by such Lot Week Purchasers. Any overage in such proceeds after repair or replacement shall be divided among all such Lot Week Purchasers. Deficits, if any, shall be treated as part of the maintenance fee next due.

3. Public Liability. Public Liability insurance shall be obtained in such amounts and with such coverage as shall be required by the Board of Directors, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability and endorsements to cover liabilities of the Lot Owners as a group to a Lot Owner.

4. Workmen's Compensation. Workmen's Compensation insurance sufficient to meet the requirements of law shall be obtained.

5. Other Insurance. Such other insurance shall be obtained as the Board of Directors shall determine desirable from time to time.

B. Premiums. Except as provided in Paragraph A.2. above relating to insurance of personal property in Lots Committed to Interval Ownership, premiums for insurance policies purchased by the Association shall be paid by the Association as a common expense.

C. Insurance Trustee and Shares of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Lot Owners, Lot week Purchasers, and their respective mortgagees, as then

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interests may appear, and shall provide that all proceeds shall be paid to the Board of Directors as insurance trustee. The duty of the insurance trustee shall be to receive such proceeds as are paid, to make distribution of such proceeds, and prior to distribution to hold such proceeds in trust for the benefit of those entitled thereto in undivided shares, which shares need not be set forth on the records of the insurance trustee. Proceeds on account of damage to Pedestal Units shall be distributed as follows:

1. Reconstruction or Repair. If the damage for which the proceeds are paid is to be reconstructed or repaired, the proceeds shall be paid to defray the costs thereof. Immediately after a determination is made to reconstruct or repair damage, the Association shall obtain reliable and detailed estimates of the cost to reconstruct or repair. If the amount of the estimated costs of reconstruction and repair is less than \$5,000.00, then the proceeds shall be disbursed in payment of such costs in the discretion of the Association; provided, however, that upon request by a mortgagee which is a beneficiary of an insurance policy, such proceeds shall be disbursed in the manner hereinafter provided for the reconstruction and repair of damage in excess of \$5,000.00. If the amount of the estimated costs of reconstruction and repair is more than \$5,000.00, then the proceeds shall be disbursed in payment of such costs in the manner required by the Association only upon approval of an architect licensed to practice in Colorado and employed by the Association to supervise the work. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Owners, remittance to Lot Owners and their mortgagees being payable to them jointly. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

2. Failure to Reconstruct or Repair. If the damage for which the proceeds are paid is not to be reconstructed or repaired, the proceeds shall be distributed to the beneficial Owners, remittances to Lot Owners and their mortgagees being made payable jointly to them. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

D. Mortgagees. In the event a mortgage endorsement has been issued as to a Lot, the share of the Lot Owner shall be held in trust for the Lot Owner and the mortgagee as their interests may appear; provided, however, that no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Lot Owner and mortgagee pursuant to the provisions of this Declaration.

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E. Association as Agent. The Association is hereby irrevocably appointed as agent for each Lot Owner and for each holder of a mortgage or other lien upon a Lot and for each owner of any other interest in Eagle's Loft to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

F. Notice of Insurance Coverage. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Lot Owners, the Association shall give notice of the exposure within a reasonable time to all Lot Owners who may be exposed to the liability and such Lot Owners shall have the right to intervene and defend.

G. Inspection of Insurance Policy. A copy of each insurance policy obtained by the Association shall be made available for inspection by Lot Owners and their mortgagees at reasonable times.

H. Developer's Interest. All insurance purchased by the Association on behalf of the Lot Owners shall include the Developer as its interest may appear, and the Developer shall share in the proceeds of any insurance payment as its interest may appear.

ARTICLE XIII

RECONSTRUCTION OR REPAIR AFTER CASUALTY

Unless the Eagle's Loft regime shall be terminated as herein provided, in the event of any damage or destruction to any Pedestal Unit or Units in Eagle's Loft by virtue of fire, casualty or other hazard, the Association forthwith shall cause such damage to be repaired and the Pedestal Unit or Units reconstructed. If the damage is not covered by insurance or if the insurance proceeds are insufficient, the deficit shall be assessed as a Common Expense; provided, however, that if the damage was caused by the intentional or negligent act or omission of any Lot Owner his family, guests, invitees or lessees, such Lot Owner or Lot Week Owner shall be responsible to the Association for the amount of such assessment and shall pay same within ten (10) days following submission of a statement of the amount thereof by the Association. Upon failure of such Lot Owner or Lot Week Owner to make payment of such amount to the Association when same shall be due as above provided, the Association shall be entitled to a lien on such Owner's Lot or Lot Weeks and all tangible personal property owned by such Lot Owner or Lot Week Owner and located upon such Lo. and such lien may be perfected and foreclosed as provided in Article X hereof.

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In the event it is determined in accordance with these Articles that there shall be no reconstruction or repair of a Unit or any portion of a Unit or Lot, then all debris shall be promptly removed and the property shall be cleaned and restored to its original condition and maintained thereafter in its original condition as it existed prior to the construction of any Building thereon pending ultimate reconstruction or later use of the property. The Association shall assure that said restoration shall be compatible with the surrounding areas. The Environmental Control Committee for the Fairfield Pagosa development shall be required to approve of the restoration and if the restoration does not meet the approval of said Committee, then said Committee may require the Association to take whatever reasonable additional action is necessary to restore the property in such manner as to meet the approval of said Committee. The Association shall be required to extend such funds and make such assessments against the Lot Purchasers as is necessary to fulfill the requirements of this paragraph.

ARTICLE XIV

USE AND OCCUPANCY

A. Residential Use Restriction. The Owner of a Lot shall occupy and use his Lot as a single-family private dwelling for himself/herself and the members of his/her family, guests, invitees and lessees. Notwithstanding the foregoing, nothing in this Declaration shall be construed to restrict the Developer from selling and/or conveying any Lot under a plan of Interval Ownership, or any Person from selling, reconveying, or in any other manner transferring at any time his/her interest in any Lot Committed to Interval Ownership under such plan of Interval Ownership. Furthermore, the Developer, so long as it continues to own and promote the sale of a Lot, shall be entitled to utilize Lots as sales models and to carry on such other activities in furtherance of its development plan as it deems appropriate.

B. Prohibited Acts. No Lot Owner shall:

1. permit or suffer anything to be done or kept in his/her Lot which will increase the rate of insurance on the Eagle's Loft Units or which will obstruct or interfere with the rights of other Lot Owners or annoy them by unreasonable noises or otherwise;
2. commit or permit any nuisance or any immoral or illegal act on or about the Eagle's Loft Units;

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3. use the Common Area or any part thereof, any Lot, or any part of the Eagle's Loft Units in any manner contrary to or not in accordance with Rules and Regulations pertaining thereto as from time to time may be promulgated by the Association;
4. alter in any manner the physical structure of any Pedestal Unit constructed on any Lot; cause anything to be affixed or attached to, hung, displayed, or placed on the exterior walls, doors or windows of any Pedestal Unit constructed on any Lot; cause any type of ground cover, plant, shrubbery, flower, vine or grass to be installed, planted or grown on the Common Area or any part thereof, any Lot, or any part of the Eagle's Loft Units outside of any Pedestal Unit constructed on any Lot; or place any furniture or equipment outside of any Pedestal Unit constructed on any Lot unless such Owner first shall have received the written consent of the Board of Directors, which consent may be evidenced by Rules and Regulations adopted by the Board of Directors.

Further, no clothes line or similar device shall be allowed on any portion of Eagle's Loft, nor shall clothes be hung anywhere except where designated by the Board of Directors of the Association.

C. Holdover Interval Owners. In the event any Lot Week Owner in a Lot Committed to Interval Ownership or any other Person occupying the Lot with such Lot Week Owner's permission fails to vacate the Lot at the expiration of his period of ownership each year, such Lot Week Owner shall be deemed a "Holdover Owner". It shall be the responsibility of the Association or the Management Firm if so provided in the Management Agreement to take such steps as may be necessary to remove such Holdover Owner from the Lot and to assist any subsequent Lot Week Owner who may be affected by the Holdover Owner's failure to vacate, to find alternate accommodations during such holdover period. In addition to such other remedies as may be available to it, the Association or Management Firm shall secure at its expense alternate accommodations for any Lot Week Owner who may not occupy his/her Lot due to the failure of any Holdover Owner to vacate. Such accommodations shall be as near in value to the Lot Week Owner's own Lot as possible. The Holdover Owner shall be responsible to the Association or Management Firm for the cost of such alternate accommodations and all travel expenses to and from the alter-

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nate accommodations of the affected Lot Week Owner and any other costs incurred due to failure of the Holdover Owner to vacate including an administrative fee of \$150.00 per day during his period of holding over. In the event it is necessary for the Association or Management Firm to contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the Holdover Owner shall be responsible for the entire period although the \$150.00 per day administrative fee shall cease upon actual vacating by the Holdover Owner. The Holdover Owner shall pay all of the aforesaid costs and fees to the Association or Management Firm within ten (10) days following submission of a statement of the amount thereof by the Association or Management Firm. Upon failure of such Holdover Owner to make payment of such amount to the Association or Management Firm when due, the Association or Management Firm shall be entitled to a lien on such Lot Week Owner's Lot Week and all tangible personal property owned by such Lot Week Owner and located upon such Lot and such lien may be perfected and foreclosed as provided in Article X hereof. The rights herein provided shall not abridge the right of the Association or Management Firm to take such other action as is provided by law including, but not limited to, eviction proceedings.

ARTICLE XV

MAINTENANCE AND ALTERATIONS

A. It shall be the responsibility of the Association to maintain the exteriors, foundations, and roofs of all Pedestal Units constructed on Lots Committed to Interval Ownership, as well as the interiors, floors and ceilings of all such Units and to maintain in a slightly condition all Lots Committed to Interval Ownership. Such maintenance of Lots not committed to Interval Ownership and Townhouse Units constructed thereon shall be the responsibility of the Lot Owner subject to the provisions set forth herein.

B. The Association may enter into a contract with any Person or may join with other property owners associations and/or entities in contracting for the maintenance and repair of the Association Properties and Lots Committed to Interval Ownership, including the Pedestal Units constructed thereon, and may contract for or may join with other property owners associations and/or entities in contracting for the management of Eagle's Loft and may delegate to such Contractor or Management Firm all such powers and duties of the Association not prohibited by law. The Contractor or Management Firm may

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be authorized to determine the budget and make assessments as provided for by this Declaration, including assessments for common expense and maintenance fees. However, as long as the Developer has a voting majority in the Association, the Developer shall not be entitled to control or participate in the selection of the Management Firm, either through its membership in the Association or through its voting rights as set forth herein.

C. Each Owner of a Lot not committed to Interval Ownership agrees:

1. to maintain in good condition and repair and to the prevailing standards of the Eagle's Loft Units his/her Lot and any Pedestal Unit constructed thereon, including the exterior, foundation and roof thereof as well as the interior, floors and ceilings thereof;

2. to pay for such utilities as are separately metered to his/her Lot;

3. not to construct any additional building on his/her Lot and not to make or cause to be made any structural addition, alteration, decoration, repair, replacement or change of the interior or exterior portion of any Pedestal Unit constructed upon his Lot without the prior written consent of the Board of Directors, which consent will not be withheld unreasonably provided that such addition, alteration, decoration, repair, replacement or change does not interfere with the architectural conformity of the Eagle's Loft Pedestal Units.

D. Each Lot Week Purchaser in a Lot committed to Interval Ownership agrees:

1. to pay the maintenance fee as provided in Article V hereof;

2. not to make or cause to be made any structural addition, alteration, decoration, repair, replace or change of the interior or exterior portion of any Unit constructed upon his/her Lot or of the furnishings, appliances, personal property, or decor thereof, without the prior written consent of the Board of Directors;

3. to bear in their entirety all expenses of repair or replacement to the Lot, any Unit constructed thereon, or the components, furnishings, carpeting, appliances, or other property, real, personal or mixed, occasioned by the specific use or abuse of such Lot Week Owner or of any of such Lot Week Owner's family, guests, invitees or lessees;

4. that the Association shall determine the interior color scheme, decor and furnishings of any Unit constructed on his/her Lot as well as the proper time for redecoration and replacement thereof.

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E. Each Owner of a Lot, including each Lot Week Owner in Lots Committed to Interval Ownership, agrees:

1. to allow the Board of Directors or the agents or employees of any Management Firm or the Association to enter into any Lot or into any Unit constructed thereon for the purpose of maintenance, inspection, repair or replacement of improvements thereon, or to determine emergency measures to be taken in case of emergency or circumstances threatening the Eagle's Loft Units or to determine compliance with the provisions of this Declaration and the By-laws;

2. to show no signs, advertisements or notices of any type on the Common Area, or any portion of Eagle's Loft and to erect no exterior antenna or aerials except as consented to by the Board of Directors; provided, however, that nothing herein shall prevent the Developer from displaying such signs as it deems necessary to promote the sale of Lots or Lot Weeks.

F. In the event the Owner of a Lot fails to maintain such Lot as required herein or makes any alterations or additions without the required written consent of the Board of Directors, or otherwise violates or threatens to violate the provisions hereof, the Association or Management Firm shall have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof. In lieu thereof and in addition thereto, the Association shall have the right to levy an assessment against the Owner of a Lot for such sums as may be necessary to maintain properly the Lot and/or any Unit constructed thereon, to remove any unauthorized addition thereto or alteration thereof, and to restore the same to good condition and repair. Where such failure, alteration, addition, or other violation is attributable to a Lot Week Owner in a Lot Committed to Interval Ownership, any such levy of an assessment shall be limited to the Lot Weeks owned by such Lot Week Owner and shall be of no force and effect as to any other Lot Week Owner in said Lot. Such assessment shall have the same force and effect as all other special assessments and a lien therefore may be perfected and foreclosed as provided in Article X hereof. The Association shall have the further right to have its employees or agents, or any subcontractors contracted for by it, enter any Lot or any Unit constructed thereon at any and all reasonable times to do such work as is deemed necessary by the Board of Directors or Management Firm to enforce compliance with the provisions hereof.

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G. The Association shall determine the exterior color scheme of all Townhouse Units and no Owner shall paint any exterior wall, door, window or other exterior surface or replace anything thereon or affix anything thereto without the written consent of the Board of Directors.

H. The Association shall be responsible for the maintenance of, construction, repair and replacement of improvements on Association Properties, including but not limited to any recreational facilities which may be constructed thereon and all property not required to be maintained, repaired and/or replaced by the Lot Owners. Further, the Association shall promulgate Rules and Regulations governing the use and enjoyment of the Association Properties which shall be available at all times for inspection at the office of the Association or Management Firm.

Notwithstanding the Lot Owner's duty of maintenance, repair, replacement and other responsibilities as to his/her Lot as provided herein, the Association may enter into an agreement with such firms or entities as it may determine appropriate to provide services and/or maintenance for and on behalf of the Lot Owners whereby maintenance and service are provided on a regularly scheduled basis for air conditioning maintenance and service, exterminating services, and such other types of maintenance and services as the Association deems advisable and for such periods of time and on such basis as it determines. Such agreements shall be on behalf of all Lot Owners and the monthly assessment due from each Lot Owner for common expense shall be increased by such sum as the Association deems equitable under the circumstances in relation to the monthly charge for such maintenance or service. Each Lot Owner shall be deemed a party to each such agreement with the same force and effect as though said Lot Owner had executed such agreement. Such assessment shall have the same force and effect as all other special assessments and a lien therefore may be perfected and foreclosed as provided in Article X hereof.

ARTICLE XVI

TERMINATION

A. If all Lot Owners and holders of all liens and mortgages affecting the Lots execute and duly record in the Office of the County Clerk and Recorder in and for Archuleta County, Colorado an instrument terminating Eagle's Loft, or upon any other termination of the regime, each Lot Committed to Interval Ownership thereafter shall be owned in common by the Lot Owners with the undivided interest of each such Lot Owner being equal to his remainder interest in the Lot as provided in Article VII hereof.

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B. At 4:00 p.m. on the first Saturday in the year of 2023, the Owners of each Lot Committed to Interval Ownership shall become tenants in common as to such Lot with all other Lot Week Owners in such Lot. The Board of Directors, not less than 30 days nor more than 60 days prior to the actual date of such conversion to tenancy in common, shall call a meeting of all Lot Week Owners in all Lots Committed to Interval Ownership. At such meeting a vote shall be taken to decide the disposition of the Lots Committed to Interval Ownership. The Lot Week Owners by a majority vote of those Lot Week Owners in Lots Committed to Interval Ownership present and voting may vote to continue under an interval regime, in which case this Declaration as applicable to Interval Ownership will be adopted as running with all Lots previously committed to Interval Ownership for a period of ten (10) years. The Board of Directors, not less than 30 days nor more than 60 days prior to the actual expiration of such ten-year period, again shall call a meeting of all such Owners. Again a similar vote shall be taken to decide the disposition of the Lots in question, and again by majority vote of the Owners present and voting, the Owners may continue the intervals for an additional ten-year period. This process shall be repeated as the end of each successive ten-year period approaches. Should less than a majority of the Owners present and voting vote to continue the intervals at any such meeting, then the Association as agent for all Owners of such Lots shall file suit in a court of competent jurisdiction in Archuleta County, Colorado for partition of each Lot in question.

In the event the Owners vote to continue their intervals as provided above, then each Owner during his Lot Weeks shall have the exclusive right to occupy his Lot and as between Owners to use and enjoy the rights and easements appurtenant to his Lot, the Common Area, and Association Properties, and to authorize others so to do, together with the non-exclusive right in common with all other Owners, but only when acting through the Association, to maintain and repair the Lot and any Unit constructed thereon during maintenance weeks. No Owner shall occupy his/her Lot or exercise any other rights of ownership in respect thereof other than the rights herein provided during any other Lot Weeks unless expressly so authorized by the Owner entitled to occupy the Lot during such Lot Weeks or during any maintenance week except when acting through the Association. Each Owner shall vacate the Lot at the expiration of his Lot Weeks, remove all persons and individually owned property

therefrom, leave the Lot in good and sanitary condition and repair, and otherwise comply with such reasonable checkout and other procedures as may from time to time be contained in Rules and Regulations promulgated by the Association.

No Owner or other Person shall seek or obtain through any legal procedures, judicial partition of a Lot or sale of the Lot in lieu of partition at any date prior to the expiration of each successive ten-year period of Interval Ownership approved as above provided. If, however, any Lot Weeks shall be owned by two or more persons as tenants in common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Lot Weeks in lieu of partition as between such co-tenants or joint tenants.

ARTICLE XVII

MANAGEMENT AGREEMENT

Pursuant to the Management Agreement attached hereto as Exhibit "D", the Association has delegated to the Management Firm the power of the Association to ~~determine the budget, make assessments for Common Expense and maintenance~~ fees, and collect assessments. Each Lot Owner and Lot Week Owner, his heirs, successors and assigns, by acquiring title to such Lot or Lot Week or executing a contract therefor, shall be deemed to:

(1) adopt, ratify, confirm and consent to the execution of such Management Agreement by the Association;

(2) adopt, ratify, confirm and approve each and every provision of such Management Agreement and acknowledge that all of the terms and provisions thereof are reasonable;

(3) covenant and promise to perform each and every covenant, promise and undertaking to be performed by Lot Owners as provided in said Management Agreement;

(4) recognize that some or all of the persons comprising the original Board of Directors are or may be stockholders, officers and directors of the Management Firm, and acknowledge that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, either in whole or in part;

(5) agree that the persons acting as officers and directors of the Association entering into such Management Agreement have not breached any of their duties or obligations to the Association;

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(6) adopt, ratify, confirm and consent to the acts of the persons acting as officers and directors of the Association in entering into the Management Agreement.

ARTICLE XVIII

ASSOCIATION PROPERTIES

All properties acquired by the Association, real, personal or otherwise shall be held for the use and benefit of all Lot Owners in Eagle's Loft.

ARTICLE XIX

DEVELOPER'S RIGHTS

In addition to each and every right of the Developer as set forth herein, the Developer specifically reserves:

A. The right to use a portion of the Common Area for the purpose of aiding in the sale of Lots, including the right to use portions of the Common Area for parking for prospective Purchasers and such other parties as the Developer determines. The foregoing right shall include the right to display and erect signs, billboards and placards and to store, keep and exhibit same and distribute audio and visual promotional materials upon the Common Area.

B. The exclusive right to provide or to contract for providing Eagle's Loft with water and/or sewage disposal services. Pursuant to the foregoing, the Developer may contract with a utility company, a utility district, a property owners association, a municipal or governmental agency, a quasi-governmental authority, or a private company for providing such services; and the Association and Lot Owners agree to pay the charges therefore and to comply with all of the terms and conditions of any such contract.

C. The right to grant such easements for utility services, drainage, pedestrian and vehicular traffic, or otherwise as may be considered by Developer desirable for the use of The Property and any expansion property comprising any part of Eagle's Loft for the purposes herein stated or to provide such utility service, drainage, pedestrian and vehicular access, or other service to other properties of the Developer adjacent or contiguous thereto. In conjunction with the reservation as aforesaid, the Developer hereby expressly reserves a perpetual easement over all driveways and parking areas constituting a part of the Common Area and such additional area as may be needed to connect such driveways and parking areas with the boundaries of the development for access to all adjacent and contiguous properties now or hereafter owned by the Developer, the location of which may be chosen by the

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Developer, for use in connection with the Lot Owners and others who rightfully may be using such driveways and parking areas, which easement shall be considered an easement appurtenant to said property and all portions thereof, to run with said property and all portions thereof.

ARTICLE XX

MISCELLANEOUS PROVISIONS

A. If any portion of a Pedestal Unit encroaches upon the Common Area, a valid easement for the encroachment and for the maintenance of same exists and shall exist so long as such Pedestal Unit stands. In the event a Pedestal Unit is partially or totally destroyed and then rebuilt, encroachments on parts of the Common Area due to construction shall be permitted and valid easements for such encroachments and for the maintenance of same shall exist so long as such Pedestal Unit as rebuilt stands.

B. The Property is subject to all matters of record and the rights of the United States of America, the State of Colorado, and any governmental authority or agency having jurisdiction over same; and the Developer hereby reserves such easements as it determines in its sole discretion may be necessary for use by any such governmental authority or agency in the exercise of its jurisdiction.

C. The right of occupancy and use of a Lot Committed to Interval Ownership including any Lot Week Owner's right to use recreational facilities at Fairfield Pagosa and the Common Area shall be limited to the Lot Weeks owned by such Lot Week Owner.

D. No Lot Week Owner may dispose of any Lot Week without disposing of his/her entire interest therein, including the remainder interest appurtenant thereto.

Except as provided for herein, no Lot Owner or Lot Week Purchaser shall bring or have any right to bring any action for partition or division of Eagle's Loft property, nor shall any Lot Week Purchaser of Lot Weeks within a Lot Committed to Interval Ownership have any right to bring any action with reference to the other Owners of Lot Weeks in such Lot for partition of such Lot.

The interval conveyance consists of an estate for years, together with a remainder over as tenants in common with all other Lot Week Purchasers in each Lot as set forth in the Deed of Conveyance. No Lot Week Purchaser in a Lot Committed to Interval Ownership shall have the right to separate the estate for years from the remainder interest.

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The Association, by its execution of this Declaration approves of the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration and exhibits attached hereto. The Lot Owners and Lot Week Purchasers, by virtue of their acceptance of the Deed of Conveyance as to their Lot or Lot Weeks or execution of a Contract of Purchase of their Lot or Lot Weeks, and other parties by virtue of their occupancy of the Lots hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration and exhibits attached hereto.

E. Leasing or renting of a Lot or of a Lot Week within a Lot Committed to Interval Ownership is not prohibited.

F. No Owner may exempt himself/herself from liability for contribution toward the common expense or, in the case of a Lot Week Purchaser in a Lot Committed to Interval Ownership, the maintenance fee, by waiver of the use and enjoyment of the Common Area or the recreational facilities at Fairfield Pagosa, or by the abandonment of his/her Lot or Lot Weeks.

G. The Owner of each Lot which remains uncommitted to Interval Ownership shall be responsible for listing the same for ad valorem taxes with the Tax Supervisor or with such other legally authorized governmental officer or authority having jurisdiction over same, and said Lot Owner shall be responsible for the payment of such taxes.

H. If any provision of this Declaration, the By-laws, the Articles of Incorporation, the Management Agreement, or any section, clause, phrase, word or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration, the By-laws, the Articles of Incorporation, the Management Agreement, and the application of any such provision, section, clause, phrase, or word, in other circumstances, shall not be affected thereby.

I. Whenever any notice is required to be sent hereunder, the same may be delivered to Lot Owners either personally or by mail, addressed to such Lot Owners at their place of residence on file with the Association from time to time. Proof of such mailing or personal delivery by the Association or any Management Firm shall be given by the affidavit of the person mailing or personally delivering such notice. Notice to the Association shall be delivered by mail to the Secretary or the President of the Association.

Notices to the Developer shall be delivered by mail at: Fairfield - Eaton, Inc., P. O. Box 4100, Pagosa Springs, Colorado 81157. 117700

Notices to the initial Management Firm shall be delivered by mail at:
Fairfield - Eaton, Inc., P. O. Box 4100, Pagosa Springs, Colorado 81157.

All notices shall be deemed and considered given when mailed. Any party may change his or its mailing address by written notice, duly receipted. Notices required to be given the personal representative or a devisee of a deceased Owner may be delivered either personally or by mail to such party at his address appearing in the records of the court wherein the Estate of such deceased Owner is being administered. The change of the mailing address of any party as specified herein shall not require an amendment to the Declaration.

J. Each Lot Owner and the Association shall be governed by and shall comply with this Declaration as it exists from time to time. Failure to comply herewith shall entitle the Association or any Lot Owner to recover sums due for damages or injunctive relief or both. Such actions may be maintained by or against a Lot Owner or the Association in a proper case by or against one or more Lot Owners, and the prevailing party shall be entitled to receive reasonable attorney's fees. Such relief shall not be exclusive of other remedies provided by law.

K. Whenever the context so requires, the use herein of any gender shall be deemed to include all genders, and the use herein of the singular shall include the plural, and plural shall include the singular. The provisions of this Declaration shall be construed liberally to effectuate the purpose of creating a uniform plan for the operation of Eagle's Loft.

L. The captions used in this Declaration and the Management Agreement attached hereto are provided solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text.

M. Where a first mortgage, by some circumstances, fails to be a first mortgage, but it is evident that it is intended to be a first mortgage, for the purpose of this Declaration it shall be deemed to be a first mortgage.

N. The Developer specifically disclaims any intent to have made any warranty or representation in connection with The Property or the Eagle's Loft Units except as specifically set forth herein, and no Person shall rely upon any warranty or representation not specifically so made herein unless otherwise stated. Common expense, maintenance fees, taxes or other charges may vary from time to time and no warranty, guaranty or representation is made or intended as to the stability of said charges, nor may one be relied upon.

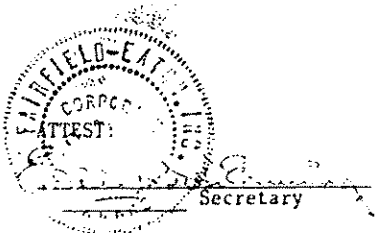
O. The Developer, the P.O.A. and the Association, by their execution of this Declaration, approve the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration and the Management Agreement. The Lot Owners, by virtue of their execution of a purchase contract and/or by acceptance of a deed to a Lot or Lot Week, and all Occupants by virtue of their occupancy of a Lot, approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration and the Management Agreement.

ARTICLE XXI

PERSON TO RECEIVE SERVICE OF PROCESS

David Byrd hereby is designated to receive service of process in any action which may be brought in relation to Eagle's Loft. Such person's address and place of business is P. O. Box 4100, Pagosa Springs, Colorado 81157 which is located in the County in which Eagle's Loft is located. A change in the designation of the person to receive service of process shall not require an amendment to this Declaration.

IN WITNESS WHEREOF, The Developer, the P.O.A. and the Association each have caused this instrument to be executed in their corporate names by their appropriate corporate officers and their respective seals to be affixed hereto, all by order of their respective Boards of Directors first duly given, this the day and year first above written.

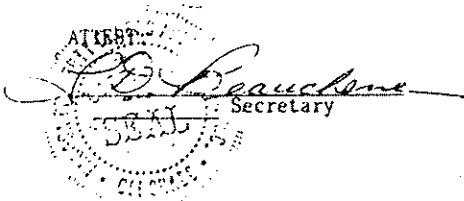


FAIRFIELD - EATON, INC.

X By [Signature] (SEAL)
Vice President

PAGOSA PROPERTY OWNERS
ASSOCIATION, INC.

By Margaret D. Shipman (SEAL)
President



EAGLE'S LOFT PROPERTY OWNERS
ASSOCIATION, INC.

By [Signature] (SEAL)
Vice President

ATTEST:

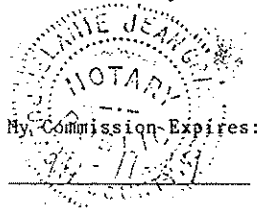
[Signature]
Secretary

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STATE OF Arkansas)
COUNTY OF Fulton) SS.

The foregoing instrument was acknowledged before me this 26th day of July, 1983 by Joe T. Purter and Patricia K. Purter as Vice President and Secretary for Fairfield - Eaton, Inc.

WITNESS my hand and official seal.



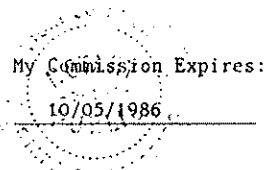
Thelma Jean Young
Notary Public

Address: 201 Arkansas St.
Little Rock, Arkansas
72202

STATE OF Colorado)
COUNTY OF Archuleta) SS.

The foregoing instrument was acknowledged before me this 28th day of July, 1983 by Margaret S. Shipman and L. D. Beauchene as President and Secretary for Pagosa Property Owners Association, Inc.

WITNESS my hand and official seal.



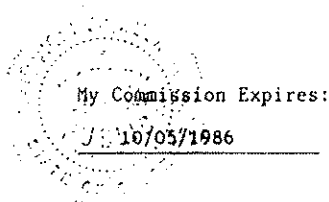
Vicki D. Buck
Notary Public

Address: 44 North Driver Court
Pagosa Springs, CO 81147

STATE OF Colorado)
COUNTY OF Archuleta) SS.

The foregoing instrument was acknowledged before me this 28th day of July, 1983 by David C. Byrd and Fred B. Thielen as Vice President and Secretary for Eagle's Loft Property Owners Association, Inc.

WITNESS my hand and official seal.



Vicki D. Buck
Notary Public

Address: 44 North Driver Court
Pagosa Springs, CO 81147

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EXHIBIT "A"
EAGLE'S LOFT
LEGAL DESCRIPTION

A portion of Parcel 3A, of the "Second Replat of SOUTH VILLAGE LAKE", recorded as reception # 111806, plat file #238 H-L of Archuleta County Records in Archuleta County, Colorado and is more particularly described as follows:

BEGINNING at the southerly most corner of said Parcel 3A; thence N 43°02'13" W, along the southwesterly line of said Parcel 3A, a distance of 90.00 feet; thence N 2°27'47" E, along the westerly line of said Parcel 3A, a distance of 450.00 feet; thence S 65°48'44" E, a distance of 264.27 feet to a point on an easterly line of said Parcel 3A; thence southerly along the following easterly and southerly lines of said Parcel 3A;

S 10°30'32" W, a distance of 65.39 feet to the P.C. of a curve in a southerly direction; thence along said curve, concave to the east, having a central angle of 23°04'56" and a radius of 413.32 feet, a distance of 166.51 feet; thence S 46°57'47" W, along a non-tangent line, a distance of 260.00 feet to the TRUE POINT OF BEGINNING.

Parcel contains 2.1420 acres more or less.

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EXHIBIT "B"

BYLAWS
OF
EAGLE'S LOFT PROPERTY OWNERS ASSOCIATION, INC.
A NONPROFIT CORPORATION

ARTICLE I

Offices

Section 1. Principal Office: The principal office of the corporation shall be located in Fairfield Pagosa, Archuleta County, Colorado.

Section 2. Registered Office: The registered office of the corporation required by law to be maintained in the State of Colorado may be, but need not be, identical with the principal office.

Section 3. Other Offices: The corporation may have offices at such other places, either within or without the State of Colorado, as the Board of Directors, from time to time, may determine, or as the affairs of the corporation may require.

ARTICLE II

Meeting of Members

Section 1. Place of Meetings: All meetings of members shall be held at the principal office of the corporation or at such other place, either within or without the State of Colorado, as shall be designated in the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings: The Annual Meeting of members shall be held on the second Wednesday in June of each year, if not a legal holiday, but if a legal holiday then on the next day following not a legal holiday, for the transaction of such business as may be properly brought before the meeting.

Section 3. Substitute Annual Meeting: If the annual meeting shall not be held on the day designated by these bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings: Special meetings of the members may be called at any time by the President, Secretary or Board of Directors of the corporation, or by any member pursuant to the written request of not less than five percent (5%) of the total vote of the members as specified in Section 9 of this Article.

Section 5. Notice of Meetings: Written or printed notice stating the time, place, day and hour of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date thereof, either personally

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or by United States Postal Service, by or at the direction of the President, Secretary or other person calling the meeting to each member of record of the corporation.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted unless it is a matter upon which the vote of members is expressly required by the provisions of the Colorado Nonprofit Corporation Act. In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than 30 days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Section 6. Voting Lists: A voting list shall not be required to be prepared if the record of members actually present at the meeting shows in alphabetical order or by alphabetical index the name of each member with his address; except that on demand of any member rendered at least 20 days prior to any meeting, a voting list shall be prepared by the Secretary of the corporation. Only voting members, as defined in the Declaration of Individual and/or Interval Ownership, shall be entitled to vote and included in the voting list.

Section 7. Quorum: Twenty percent (20%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at the opening of a meeting of members.

The members present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

In the absence of a quorum at the opening of any meeting of members, such meeting may be adjourned from time to time by the majority of the votes on the motion to adjourn; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

Section 8. Proxies: A member may vote either in person or by one or more agents authorized by a written proxy executed by the member or by his duly authorized attorney-in-fact. A proxy shall not be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting.

Section 9. Voting: On all matters upon which members shall be entitled to vote, each member shall have a vote as provided in the Declaration of Individual and/or Interval Ownership to be recorded in the Office of the County Clerk and Recorder for Archuleta County, Colorado.

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Where the Declaration of Individual and/or Interval Ownership provides for the designation of a voting member, the designation shall be made by filing a writing with the Secretary of the corporation which shall set forth the name of the individual voting member and warrant to the corporation that the corporation shall be entitled to rely upon the authority granted thereby until such time as the designation has been revoked. The revocation of the designation of a voting member shall be effected by filing a writing with the Secretary of the corporation which shall state the name of the voting member whose authority is thereby revoked and which shall designate a successor voting member who shall thereafter be the voting member. No other means of revocation of the designation of a voting member shall be effective.

Except as otherwise may be provided in these bylaws, the Declaration of Individual and/or Interval Ownership or the Articles, the majority of votes cast by the voting members on any matter at a meeting of members at which a quorum is present shall be the act of the members on that matter. Voting in all matters except the election of directors shall be by voice vote or by a show of hands unless the holders of one-tenth (1/10) of the vote represented at the meeting, prior to voting on any matter, demand a ballot on that particular matter.

Section 10. Informal Action: Any action which may be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the corporation to be kept in the corporate minute book.

ARTICLE III

Directors

Section 1. General Powers: The business and affairs of the corporation shall be managed by the Board of Directors or, as provided in the Declaration of Individual and/or Interval Ownership, by a management firm pursuant to the management agreement between the management firm and the corporation.

All of the powers and duties of the corporation shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles, these bylaws, and the Declaration of Individual and/or Interval Ownership. Such powers and duties shall be exercised in accordance with the Articles, these bylaws, and the Declaration of Individual and/or Interval Ownership, and shall include, without limiting the generality of the foregoing, the following:

(a) To make, levy and collect assessments against members and members' interest in Lots to defray the cost of the Lots, as provided in the Declaration of Individual and/or Interval Ownership, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the corporation; and,

(b) To maintain, repair, replace, operate and manage Eagle's Loft whenever the same is required to be done and accomplished by the corporation for the benefit of its members as provided in the Declaration of Individual and/or Interval Ownership; and further, to approve any expenditure made or to be made for said purposes; and,

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(c) To make, amend and enforce rules and regulations governing the use of Eagle's Loft as provided in the Declaration of Individual and/or Interval Ownership; and,

(d) To pay all taxes and assessments which are or may become liens against any part of Eagle's Loft as provided in the Declaration of Individual and/or Interval Ownership, and to assess the same against the members and their respective Lots subject to such liens; and,

(e) To pay all costs of power, water, sewer and other utility services rendered to Eagle's Loft not billed to the owners of Lots; and,

(f) To designate and remove personnel necessary for the maintenance, repair, replacement and operation of Eagle's Loft; and,

(g) To assign all management duties to a management firm pursuant to a management agreement as provided in the Declaration of Individual and/or Interval Ownership.

Section 2. Number, Term and Qualifications: The number of directors of the corporation shall be three (3), all of whom must be Lot Owners, as defined in the Declaration of Individual and/or Interval Ownership, or officers or employees of a corporate Lot Owner, or officers of the developer, Fairfield - Eaton, Inc., or parties in a partnership Lot Owner, or spouses of individual Lot Owners. ~~Those persons named in the Articles shall serve as the Board of Directors until such time as their successors are duly elected at the first annual meeting of the members.~~

At the first annual meeting of the members, the candidate for the Board of Directors receiving the greatest number of votes shall be elected to the Board for a term of three (3) years, and the term of office of the candidate receiving the next highest number of votes shall be two (2) years, and, likewise, the term of office for the candidate receiving the third highest number of votes shall be one (1) year. At the expiration of the initial term of each director, his successor shall be elected to serve a term of three (3) years. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Directors need not be residents of the State of Colorado.

Section 3. Appointment and Election of Directors: Except as provided in Section 6 of this Article, the directors shall be elected at the annual meeting of the members; and those persons who receive the highest number of votes shall be deemed to have been elected. If any member so demands, election of directors shall be by secret ballot.

Section 4. Cumulative Voting: Cumulative voting shall not be permitted in the election of the Board of Directors.

Section 5. Removal: A director may be removed from office pursuant to any procedure set forth in the Articles regardless of whether the procedure is adopted by amendment after the election of the individual to be removed as a director.

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Section 6. Vacancies: A vacancy occurring in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director; but a vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of members called for that purpose. The members may elect a director at any time to fill any vacancy not filled by the directors.

Section 7. Chairman: There may be a Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 8. Compensation: The Board of Directors shall not compensate directors for their services as such but may provide for the payment of all expenses incurred by directors in attending regular and special meetings of the Board.

Section 9. Fidelity Bond: The Board of Directors may require that any or all officers of the corporation handling funds of the corporation furnish a fidelity bond in an amount determined by the Board of Directors, the premium for which shall be paid by the corporation.

ARTICLE IV

Meetings of Directors

Section 1. Regular Meetings: A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of Colorado, for the holding of additional regular meetings.

Section 2. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. Such meetings may be held either within or without the State of Colorado.

Section 3. Notice of Meetings: Regular meetings of the Board of Directors may be held without notice.

The person or persons calling a special meeting of the Board of Directors shall, at least two (2) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 4. Waiver of Notice: Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum: A majority of the Board of Directors fixed by these bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

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Section 6. Manner of Acting: Except as otherwise provided in these bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Presumption of Assent: A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 8. Informal Action by Directors: Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

ARTICLE V

Officers

Section 1. Number: The officers of the corporation shall consist of a President, a Vice-President, a Secretary, a Treasurer, and such assistant secretaries, treasurers and other officers as the Board of Directors may from time to time elect. Any two (2) or more offices may be held by the same person, except that no officer may act in more than one (1) capacity where action of two (2) or more officers is required.

Section 2. Election and Term: The officers of the corporation shall be elected by the Board of Directors. Such elections may be held at any regular or special meeting of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.

Section 3. Removal: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever the Board determines that the best interests of the corporation would be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation: The compensation of all officers of the corporation shall be fixed by the Board of Directors in accordance with the Articles.

Section 5. President: The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these bylaws.

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He shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, any deeds, leases, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice-President: The Vice-President unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, he shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 7. Secretary: The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and directors. He shall give all notices required by law and by these bylaws. He shall have general charge of the corporate books and records and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall have general charge of the membership books of the corporation and shall keep, at the registered or principal office of the corporation, a record of members showing the name and address of each member. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 8. Treasurer: The Treasurer shall have custody of all funds and securities belonging to the corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the corporation within four (4) months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any member for a period of ten (10) years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon his written request therefor. The Treasurer shall, in general, perform all duties incident to his office and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

ARTICLE VI

Contracts, Loans, Checks and Deposits

Section 1. Contracts: Consistent with the purpose of the corporation as contained in the Articles, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, lease, or execute and deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances. The Board of Directors may enter into employment contracts for any length of time it deems wise.

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Section 2. Loans: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or specific in nature and scope.

Section 3. Checks and Drafts: All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors shall direct.

ARTICLE VII

General Provisions

Section 1. Seal: The corporate seal of the corporation shall consist of two (2) concentric circles between which is the name of the corporation and in the center of which is inscribed "SEAL"; and such seal, in the form approved by the Board of Directors, shall be adopted by said Board as the corporate seal of the corporation.

Section 2. Waiver of Notice: Whenever any notice is required to be given to any member or Director under the provisions of the Colorado Nonprofit Corporation Act, or under the provisions of the Articles or bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Amendments: Except as otherwise provided herein or in the Declaration of Individual and/or Interval Ownership, these bylaws may be amended or repealed and new bylaws may be adopted by two-thirds (2/3) of the votes at any regular or special meeting of the members.

Section 4. Fiscal Year: The fiscal year of the corporation shall be fixed by the Board of Directors.

Section 5. Indemnification: Any person who at any time serves or has served as a director, officer, employee or agent of the corporation, or in such capacity at the request of the corporation for any other corporation, partnership, joint venture, trust or other enterprise, shall have a right to be indemnified by the corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with any threatened or pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty, or settlement for which he may become liable in any such action, suit or proceeding.

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The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this bylaw, including without limitation, to the extent needed making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the corporation.

Any person who at any time after the adoption of this bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such rights shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

Section 6. Mortgagees: Any Lot owner who mortgages his Lot or his interest therein shall notify the corporation of the name and address of his mortgagee, and the corporation shall maintain a record of mortgages. At the request of any mortgagee, the corporation shall report to the requesting mortgagee any unpaid assessments due from its mortgagor. All mortgagees shall have the rights granted to them in the Declaration of Individual and/or Interval Ownership and nothing contained herein shall contravene said rights.

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STATE OF COLORADO

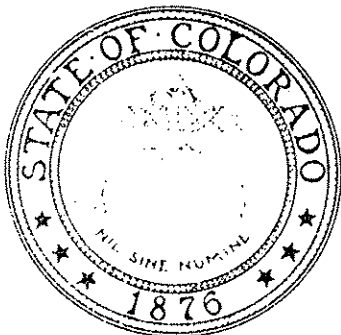


DEPARTMENT OF
STATE

CERTIFICATE

I, NATALIE MEYER, Secretary of State of the State of Colorado hereby certify that the prerequisites for the issuance of this certificate have been fulfilled in compliance with law and are found to conform to law.

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues A CERTIFICATE OF INCORPORATION TO EAGLE'S LOFT PROPERTY OWNERS ASSOCIATION, INC., A NONPROFIT CORPORATION.



Natalie Meyer
SECRETARY OF STATE

DATED: JUNE 20, 1983

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EXHIBIT "C"
NOT FOR PROFIT

ARTICLES OF INCORPORATION

OF

EAGLE'S LOFT PROPERTY OWNERS ASSOCIATION, INC.

A NONPROFIT CORPORATION

STATE OF COLORADO

The undersigned, being of the age of eighteen (18) years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a corporation not for profit pursuant to Title 7 of the Revised Statutes of Colorado, entitled "Colorado Nonprofit Corporation Act", and the several amendments thereto:

ARTICLE I

NAME

The name of the Corporation is Eagle's Loft Property Owners Association, Inc.

ARTICLE II

DURATION

The period of duration of the Corporation is perpetual.

ARTICLE III

PURPOSES

The purposes for which the Corporation is organized are:

(a) To own, operate, manage, lease, maintain, repair and generally administer the affairs of the property within Eagle's Loft in Archuleta County, Colorado, and to have all those powers enumerated in the Declaration of Individual and/or Interval Ownership to be recorded in the office of the Register of Deeds of Archuleta County, Colorado.

(b) To acquire, maintain and operate all Common Area of Eagle's Loft as defined in the Declaration of Individual and/or Interval Ownership and as shall be designated on the recorded plats of Eagle's Loft.

(c) To administer to all of the affairs of the Corporation which may be properly incident to the establishment, promotion and maintenance of civic, social, recreational and cultural purposes within Eagle's Loft.

(d) To give effect to any valid conditions, covenants and restrictions of record or which may be put of record affecting Eagle's Loft Property Owners Association, Inc. and to perform the functions and duties and exercise all powers of the Property Owners Association as described in the Declaration of Individual and/or Interval Ownership which are or may be placed of record in the Office of the County Clerk and Recorder for Archuleta County, Colorado.

(e) To buy, sell, lease, mortgage, pledge, encumber, own, hold, exchange, improve, develop, subdivide, contract regarding or otherwise deal in all kinds of real and personal property, tangible and intangible, and any interest therein borrow or lend money for the purposes provided in this Article.

(f) To make contracts, incur liabilities, issue notes, bonds and other obligations or evidences of indebtedness for the purposes provided in this Article.

(g) To enter into any partnership, joint venture, trust agreement or any other business arrangement for the purposes provided in this Article.

(h) To apply for, obtain, register, purchase, lease, or otherwise acquire, and to hold, own, use, sell or dispose of any license, franchise,

permit or certificate of convenience and necessity for the purposes provided in this Article.

(i) To exercise all powers which may be deemed by its officers and directors to be necessary to its objects and all powers which reasonably may be implied from the foregoing purposes, including but not limited to the power to solicit, collect, receive, administer and disburse funds in such manner as, in the sole discretion of the Board of Directors, most effectively will operate to further the mutual benefit of the members as provided in this Article.

(j) To engage in any lawful act or activity for which corporations may be organized under Title 7 of the Revised Statutes of Colorado.

ARTICLE IV

MEMBERSHIP OF THE CORPORATION

The Corporation shall have one class of membership which shall consist of all persons who are owners of a Lot in Eagle's Loft Property Owners Association, Inc., regardless of whether such persons own a fee simple or time-sharing interest in such Lot or an equitable interest therein under a Contract to Purchase; provided, however, that certain members shall be designated Voting Members as provided in Article III of the Declaration of Individual and/or Interval Ownership. Membership automatically shall terminate when such person no longer is the owner of a Lot or of an interest therein.

ARTICLE V

DIVIDENDS AND DISTRIBUTIONS

There shall be no dividends or profits to any of the members of the Corporation, nor shall any part of the income of the Corporation be distributed to its Board of Directors, officers or members; provided, however, that the Corporation may pay compensation in a reasonable amount to its members, directors or officers for services rendered. In the event the Corporation shall have an excess of receipts over disbursements, such excess shall be applied toward future necessary expenditures of the Corporation.

Upon final dissolution and liquidation, the Corporation may take distribution only in a manner consistent with its nonprofit status, as required by all applicable laws, rules and regulations, whether promulgated by a taxing authority or otherwise.

ARTICLE VI

REGISTERED OFFICE AND AGENT

2/1/57 The address of the initial registered office of the Corporation in the State of Colorado is 3505 Highway 160 West, Pagosa Springs, Archuleta County, Colorado; and the name of its initial registered agent at such address is David Byrd.

ARTICLE VII

DIRECTORS

The number of directors of the Corporation and the method of their election may be fixed by the Bylaws.

The number of directors constituting the initial Board of Directors shall be three (3), and the names and addresses of the persons who shall serve as directors until the first meeting of members or until successors shall be elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
David Byrd	3505 Highway 160 West Pagosa Springs, Colorado 81157
Fred Thielen	3505 Highway 160 West Pagosa Springs, Colorado 81157

Leonard Granath

3505 Highway 160 West
Pagosa Springs, Colorado 81157

Directors may be removed from office with or without cause by the vote of a majority of the members entitled to vote in an election of directors. If any directors are so removed, new directors may be elected at the same or any subsequent meeting of the members. Provided, however, that unless the entire Board of Directors is removed, an individual may not be removed if the number of directors voting against the removal would be sufficient to elect a director if such members voted cumulatively at an annual election.

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is:

Name

Address

Larry E. Kuca

1207 Rebsamen Park Road
Little Rock, Arkansas 72202

IN TESTIMONY WHEREOF, I have hereunto set my hand, this the 17th day of June A.D., 1983.

Larry E. Kuca
Larry E. Kuca

STATE OF ARKANSAS
COUNTY OF PULASKI

I, Mary Dianne Green, a Notary Public in and for said County and State, do hereby certify that Larry E. Kuca personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 17th day of June, 1983.

Mary Dianne Green
Notary Public

My Commission Expires:



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EXHIBIT "D"

MANAGEMENT AGREEMENT
BETWEEN
EAGLE'S LOFT PROPERTY OWNERS ASSOCIATION, INC.
AND
FAIRFIELD - EATON, INC.

THIS AGREEMENT, made and entered into on the date last appearing in the body of this instrument, by and between Fairfield - Eaton, Inc., a Delaware Corporation, hereinafter called the "Management Firm", and Eagle's Loft Property Owners Association, Inc., a Colorado non-profit corporation, hereinafter called the "Association", which said terms shall be deemed to extend to and include the legal representatives, successors and assigns of the said parties hereto;

WITNESSETH:

THAT, WHEREAS, the Association is the Association responsible for the operation of those certain Pedestal Units located in or to be located in the development known as Fairfield Pagosa which Pedestal Units are referred to as "Eagle's Loft", and said Association is desirous of entering into a Management Agreement for the management of Eagle's Loft and,

WHEREAS, the Management Firm is desirous of furnishing such management services;

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, it is agreed by and between the parties, as follows:

1. That the foregoing recitals are true and correct.
2. The Association does hereby employ the Management Firm as the exclusive Manager of Eagle's Loft and the Management Firm hereby accepts such employment.
3. (A). The term of this Agreement shall commence as of the date hereof and shall continue through June 30, 1986. Thereafter, it shall be automatically renewed for successive one (1) year periods until terminated by the Board of Directors of the Association or by the Management Firm by notifying the other party in writing at least sixty (60) days prior to the renewal date that it will not renew this Agreement.

(B). Notwithstanding the above, as long as the Management Firm has a voting majority in the Association, the Management Firm shall not be entitled to vote at the meeting of the Association on whether or not this Agreement shall be continued.
4. Except as provided herein or as may be specifically required by the Declaration or Bylaws, the Management Firm shall have all such powers and duties assigned to the Board of Directors of the Association as set forth in the Declaration and Bylaws as may be necessary for the purpose of managing the affairs of the Association.
5. The Management Firm shall maintain records sufficient to describe its services hereunder and such financial books and records shall be in accordance with generally accepted accounting principles so as to identify the source of all funds collected by it in its capacity as the Management Firm, and the disbursement thereof. Such records shall be kept at the office of the Management Firm, and shall be available for inspection by an expert employed by and at the cost and expense of the Association and at such reasonable time as the Management Firm may agree. The Management Firm shall perform a continual internal audit of the Management Firm's financial records relative to its services as Manager for the purpose of verifying same, but no independent or external audit shall be required of it.
6. The Management Firm shall determine the budget as to Eagle's Loft for the ensuing year, setting forth the anticipated income and expenses for the year, and shall specify therein each unit owner's monthly and each unit week purchaser's annual share thereof. The Management Firm shall submit the proposed annual budget to the Board of Directors of the Association for its

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approval. Should a special assessment be required during the year, the same shall be submitted by the Management Firm to the Board of Directors of the Association for approval. Upon approval of the budget and, if applicable, a special assessment, the Management Firm shall collect such assessments as provided in the Declaration and Bylaws.

7. The Management Firm shall use its best efforts to obtain the best price available as to any service, material or purchase as in the opinion of the Management Firm are in the best interests of the Association. For any one item of repair, replacement or refurbishing, the expense incurred as to Eagle's Loft as a whole, shall not exceed the sum of Five Thousand Dollars (\$5,000.00), unless specifically authorized by the Board of Directors of the Association, except however, in the case of an emergency, the Management Firm is authorized to expend any sum necessary to protect and preserve the property.

8. The Management Firm shall have sole authority and responsibility to maintain and replace the personal property within units committed to interval ownership, and in such capacity to:

(A) Determine the maintenance fee, proration of taxes, common expenses and any other expenses applicable to those units committed to interval ownership, as defined in and provided for in the Declaration. The Management Firm shall have sole discretion, while this Agreement remains in effect, for making determinations as to replacements of personal property located within such units, decor within such units, and all other judgments relating to units committed to interval ownership; notwithstanding the foregoing, all replacements shall be such as to maintain the standard of quality of the furniture, other personal property and decor, as originally contained in such unit at the time it is committed to interval ownership.

(B) It is understood by both parties that a portion of the maintenance fee may be set aside as a reserve for future replacements and repairs. The Management Firm shall have sole discretion as to the amounts, if any, of such reserves and application of same.

9. The Management Firm may cause a representative of its organization to attend meetings of the unit owners and unit week purchasers and of the Board of Directors of the Association; however, it is understood and agreed that the Minutes of all the Association's meetings, whether of unit owners or of the Board of Directors, shall be taken by the Association's Secretary, and possession of the Minute Book shall be in the custody of said Secretary, who shall always be responsible for preparing and furnishing notices of all meetings to the required parties. The Management Firm shall have the right to determine the fiscal year and when it shall commence.

10. The Management Firm shall promulgate, adopt and amend Rules and Regulations as it deems advisable in its sole discretion for the use and occupancy of the common elements, limited common elements, if any, units therein, and Association Properties, and to enforce same. The Management Firm, in its sole discretion, shall determine all activities and programs to be carried on as to same and shall employ the personnel required therefor as it determines in its sole discretion.

11. The Management Firm shall have sole discretion to determine the application of assessments collected which determination shall be made in the best interests of the Association. The Management Firm, during the term of this Agreement, may file a lien against a unit owner's or unit week purchaser's unit or unit week(s) should he fail to pay his assessments or maintenance fee as required and provided in the Declaration, and take such other action as provided in said documents, either in its name or in the name of or as agent of the Association whose name appears at the end of this instrument. The Management Firm may comprise liens in such amounts as it deems advisable in its sole discretion, and it may satisfy liens of record and render statements as to the current status of a unit or unit week purchaser's assessments. In the case of a unit committed to interval ownership, any lien against an owner of unit weeks in such unit, shall be limited to the unit weeks owned by the defaulting owner and shall, in no case, be filed so as to encumber the unit weeks owned by any other owner in such unit.

12. The Association shall aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments, and the said Association shall further aid and assist the Management

ment Firm in any reasonable manner required by the Management Firm so as to simplify the method of collecting the assessments due from unit owners and unit week purchasers.

13. It is specifically understood that the Management Firm does not ~~understand to pay expenses from its own funds and shall only be required to~~ perform its services and make disbursements to the extent that, and so long as, payments received from assessments or other revenue, if any, of the Association are sufficient to pay the costs and expenses of such services and the amounts of such disbursements. If it shall appear to the Management Firm that the assessments and other revenue, if any, of the said Association and its members are insufficient, the Management Firm shall forthwith determine such additional assessments as are required and advise the Board of Directors of the Association.

14. It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the cost and expense of the Association and its members. As compensation, fee or profit for its services hereunder, the Management Firm shall receive the following management fee:

(A) For each unit committed to interval ownership, a net fee, free from all charges and expenses, equal to 10% of the per unit week expenses as approved by the Board of Directors of the Association for the ensuing year. Unit week expenses are defined as the maintenance fee minus the management fee as said terms are defined in the Declaration. For example: if the expenses for a unit week are \$150.00, the Management Firm's compensation would be 10% of \$150.00 or \$15.00. This would make the assessment \$165.00 per unit week.

(B) For each unit not committed to interval ownership, a net fee, free from all charges and expenses equal to 10% of the per unit common expenses.

The Management Firm shall not be entitled to a fee based on any special assessments that may be required.

15. The Association shall not interfere nor permit, allow or cause any of the Officers, Directors or members to interfere with the Management Firm in the performance of its duties or the exercise of any of its powers hereunder.

16. The Management Firm shall not be liable to the Association and its members, for any loss or damage not caused by the Management Firm's own gross negligence or willful misconduct, and said Association and its members will and do hereby indemnify and save harmless the Management Firm from any such liability for damages, costs and expenses arising from injury to any person or property in, about and in connection with Eagle's Loft.

17. The Board of Directors of the Association on behalf of its members, or the Management Firm, shall both have the right to assign this Agreement as herein set forth. The Association may assign its right, title and interest herein to another Property Owners Association operating and existing under the laws of the State of Colorado and the Management Firm may assign its right, title and interest herein to another Management Firm. However, said Assignment shall not be valid unless and until the Assignee thereunder expressly assumes and agrees, in writing to perform each and every covenant and term of this Agreement. The Management Firm may also sub-contract all/or portions of its duties and powers under this Management Agreement.

18. The invalidity in whole or in part of any covenant, promise or undertaking, or any section, sub-section, sentence, clause, phrase or word, or of any provision of this Agreement or of the Declaration and the Exhibits attached to said Declaration, shall not affect the validity of the remaining portions thereof.

19. If the Association or its members, shall interfere with the Management Firm in the performance of its duties and exercise of its powers hereunder, or if the said Association shall fail to promptly do any of the things required of it hereunder, then the Management Firm, fifteen (15) days after having given written notice to said Association of said default by delivering said notice to any officer of the Association, or in their absence, to any member of the said Association, may declare this Agreement in default unless

such default be cured by the said Association within fifteen (15) days after such notice. Upon default, the Management Firm may, in addition to any other remedy given it by agreement or in law or in equity, bring an action against the said Association and its members for damages and/or specific performance and/or such other rights and remedies as it may have, and the said Association and its members shall be liable for the Management Firm's reasonable attorney's fees and costs incurred thereby. All of such rights of the Management Firm upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

20. Failure by the Management Firm to substantially perform its duties and obligations under this Agreement for a continuous period of forty-five (45) days after written notice of default from the Association specifying the default complained of shall be grounds for the said Association's cancellation of this Agreement.

21. The Management Firm shall have the right in its sole discretion to suspend any unit owner or unit week purchaser and/or authorized user of the Association Properties from the use of such Association Properties for any infraction of the promulgated Rules and Regulations pertaining to said Association Properties for a period not to exceed seven (7) days, for failure to abide by the Rules and Regulations promulgated from time to time for the use of such facilities, and during said period of suspension, there shall be no reduction in the assessments due and payable from said unit owner, unit week purchaser, and/or authorized user. In the case of a unit committed to interval ownership, such suspension shall be limited to the owner and/or authorized user of the particular unit weeks by which the breach was committed.

22. Should a unit owner or unit week purchaser fail to pay an assessment within ten (10) days after its due date, the Management Firm may deny to the unit owner or unit week purchaser and/or the authorized user the use and enjoyment of the Association Properties until such time as all assessments are paid. In the case of a unit committed to interval ownership, such denial shall be limited to the owner and/or authorized user of the particular unit weeks from which the delinquency arose.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, and have caused these presents to be signed respectively by their proper Officer(s), and their respective Corporate Seals have been duly affixed, this 24th day of June, 1983.

FAIRFIELD - EATON, INC.

BY: X. J. L. Linton (SEAL)
Vice President

ATTEST: E. J. L. Linton (SEAL)
Secretary

(CORPORATE SEAL)

EAGLE'S LOFT PROPERTY OWNERS
ASSOCIATION, INC.

BY: David C. Buck (SEAL)
Vice President

ATTEST: David C. Buck (SEAL)
Secretary

(CORPORATE SEAL)

Peter W. Daniel
Witness
Mark A. Green
Notary Public
My Commission Expires:
August 6, 1989

David C. Buck
Witness
David C. Buck
Notary Public

My Commission Expires: 10/05/1986
44 North Driver Court
Pagosa Springs, CO 81147

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FIRST SUPPLEMENTAL DECLARATION OF INDIVIDUAL

Recorded OCT 7 1983 At 12:46 PM AND/OR INTERVAL OWNERSHIP
 Recpt. 119119 FOR
 Martha Valdez-Pr order
 EAGLE'S LOFT

WHEREAS, Fairfield-Eaton, Inc., hereinafter called "Developer", a Delaware corporation; Pagosa Property Owners Association, Inc., hereinafter called "POA", a Colorado non-profit corporation; and Eagle's Loft Property Owners Association, Inc., hereinafter called the "Association", a Colorado non-profit corporation, filed a Declaration of Individual and/or Interval Ownership on the 29th day of July, 1983 in the Office of the County Clerk and Recorder of Archuleta County, Colorado, which Declaration was recorded in Book 200, at Page 834, et seq., of said office, and which Declaration is sometimes referred to herein as the "Declaration"; and

WHEREAS, said Declaration created a plan for "Interval" ownership of single family units of Eagle's Loft Townhouses, which covered the property set forth in the Declaration, which property also was designated on the plat of said Eagle's Loft Phase I which plat was filed on the 29th day of July, 1983 in the Office of the Clerk and County Recorder of Archuleta County, Colorado, as Reception No. 117699; and

WHEREAS, the filing of the above described plat and the Declaration committed that portion of the property designated on the plat as Eagle's Loft Phase I to the plan of interval ownership; and

WHEREAS, the Declaration created a means of expanding the said Eagle's Loft regime by way of adding additional properties to the regime; and

WHEREAS, pursuant to Article XI of said Declaration, the Developer desires to expand the said Eagle's Loft regime by adding thereto the hereinafter described property;

NOW, THEREFORE, in compliance with Article XI of the Declaration, the following lands are hereby dedicated and made fully subject to said Declaration and shall constitute additions to the property under the Declaration and shall henceforth be known as Eagle's Loft Phase II. The lands referred to are situated in the County of Archuleta, State of Colorado, and are described as follows:

LEGAL DESCRIPTION
EAGLE'S LOFT - PHASE II

A portion of Parcel 3A, of the "Second Replat of SOUTH VILLAGE LAKE", recorded as reception # 111806, plat file # 238 H-L of Archuleta County Records in Archuleta County, Colorado and is more particularly described as follows:

BEGINNING at the northerly most corner of said Parcel 3A; thence S 43°38'41" E, along a northerly line of said Parcel 3A, a distance of 307.46 feet to a P.O.C. of the curved Right-of-Way of Papoa Circle; thence along said curve in a southerly direction, said curve being concave to the east, having a central angle of 35°50'51", a radius of 205.00 feet and a Local Tangent Bearing of S 46°21'23" W, a distance of 128.26 feet; thence N 65°48'44" W, a distance of 264.27 feet; thence N 18°32'13" W, along a westerly line of said Parcel 3A, a distance of 185.00 feet; thence N 71°23'08" E, along a northerly line of said Parcel 3A, a distance of 155.91 feet to the TRUE POINT OF BEGINNING.

Parcel contains 1.469 acres more or less.

Expansion of the Eagle's Loft regime will include the addition of seven (7) pedestal units numbered eight (8) thru fourteen (14). Each unit is a separate detached buildings and therefore unit numbers and building numbers are and will be one and the same. The above property is located adjacent and contiguous to Eagle's Loft - Phase I. The additional seven (7) pedestal units will have the same floor plan and architectural style as Eagle's Loft - Phase I.

IN WITNESS WHEREOF, Fairfield-Eaton, Inc. has caused this instrument to be executed in its corporate name by its Vice President, attested by its - Secretary, on this 5th day of October, 1983.

FAIRFIELD-EATON, INC.

By: [Signature] Vice President

ATTEST:

[Signature]
Secretary

State of Arkansas)
County of Pulaski) SS.

The foregoing instrument was acknowledged before me this 5th day of
October, 1983 by Joe T. Hunter and
Eddie Ruth Ewing as Vice President and
Secretary for Fairfield-Eaton, Inc.

WITNESS my hand and official seal.

Mary Dianne Green
Notary Public



Address: Fairfield Communities, Inc.
1207 Rebsamen Park Road
P.O. Box 3375
Little Rock, Arkansas 72202

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