

HOMEOWNERS COVENANTS

DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS COVERING
PHASE I AND BLOCKS 2 THROUGH 5, SOMERSET ESTATES,
A RESUBDIVISION OF HILLSIDE ESTATES, AND A SUBDIVISION OF A PORTION OF
THE SOUTH 1/2 OF SECTION 31, T2N, R69W
OF THE SIXTH PRINCIPAL MERIDIAN,
COUNTY OF BOULDER, STATE OF COLORADO
BEING AN AMENDMENT TO THE DECLARATION OF RESTRICTIONS, COVENANTS
AND CONDITIONS COVERING LOTS 1-51
IN HILLSIDE ESTATES

WITNESSETH

WHEREAS, by covenants dated and recorded on September 2, 1980 at Film 1131, at Reception No.410506, Martin T. Hart filed the "Declarations of Homeowners Association Covenants and Restrictions Hillside Estates, a Subdivision located in Boulder County, Colorado (the "Hillside Covenants"); and

WHEREAS, Martin T. Hart incorporated under the laws of the State of Colorado, as a nonprofit corporation, Hillside Estates Homeowners Association which subsequently merged with the Cottonwood Hills Estates Homeowners Association which is now known as the SOMERSET HOMEOWNERS ASSOCIATION, INC. for the purposes of exercising the functions set forth herein;

WHEREAS, Article XI of the Hillside Covenants provides that they may be amended or revoked by the recording in the office of the County Clerk and Recorder of Boulder County an instrument signed by the then owners of not less than 40 of the Lots then subject to the Hillside Covenants, and the undersigned, being the owners of Lots 1, 2, 10-14 and 17-23, Phase I; Lots 1-12, Block 2; Lots 1-17, Block 3; Lots 1-22, Block 4; and Lots 1-15, Block 5 (collectively the "Owners"); such Lots, Phase and Blocks being a resubdivision of the original Lots 1-51,

Hillside Estates, and a subdivision of an additional parcel of land consisting of 36.11 acres more or less located in the South half of said Section 31; and

WHEREAS, the undersigneds are the owners of the necessary 40 Lots in the Subdivision required to amend the Hillside Covenants, which encumber the real property described in Article II of this Declaration ("Property") and desire to create thereon a residential community ("Subdivision") with common facilities ("Common Facilities") for the benefit of the Subdivision; and

The Declarant desires by this Declaration to establish and impose a general plan for the improvement, development, use and occupancy of Lots 1-23, Somerset Estates, (herein referred to as "Somerset Estates, Phase 1"); Lots 1-12 Block 2, Lots 1-17 Block 3; Lots 1-22 Block 4 and Lots 1-15, Block 5, Somerset Estates (the "Subdivision") as recorded at Reception No. 1004497, Film No. 1595 on the September 21, 1989 (Phase I) and Reception No. 1203364, Film No. 1746 on July 17, 1992 (Block -5) in the Records of the Boulder County Clerk and Recorder (collectively the "Plats"). This plan shall be binding on and inure to the benefit of the owners and future owners of each Lot, the purpose of said plan being to enhance the value, desirability, attractiveness and salability of each Lot; and

WHEREAS, Declarant desires to provide for the preservation and maintenance of the Common Facilities; and, to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Subdivision, to create an agency to which should be delegated and assigned the powers of maintaining and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

NOW, THEREFORE, Declarant, for itself and on behalf of the Owners, declares that the

Hillside Covenants are hereby revoked and these Homeowners Covenants shall encumber the Property which henceforth shall be held, transferred, sold, conveyed and occupied subject to these covenants, restrictions, easements, charges and liens ("Covenants and Restrictions") hereinafter set forth, all of which shall be covenants running with the Property.

ARTICLE I
DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Somerset Homeowners Association, Inc., its successors and assigns.

(b) "Common Properties" shall mean and refer to those parcels of land designated as Outlots B, C, F, J, K and a portion of Outlot 'D', on the recorded plats (the "Plats") of Somerset Estates Phase I and Somerset Estates Subdivision, Blocks 2-5, Boulder County, Colorado, excepting that portion of Outlot D described in Exhibit A attached hereto and (i) any easements for utilities and access to such parcel, (ii) any parcels contiguous to the subdivision which now or hereafter are acquired as additional open space (iii) all easements attaching or appurtenant to such Outlots, and (iv) such additional areas as are conveyed as common properties under the terms of Article IV, Section 2, hereof, which areas are intended to be devoted to the common use and enjoyment of the owners of the Lots, subject to the terms and conditions hereof; provided, however, that the Outlots shall not be considered "Common Properties" until the Outlots have been conveyed to the Association and the deed conveying same has been recorded in the records of the Clerk and Recorder of Boulder County.

(c) "Declarant" shall mean and refer to Longview Associates, a Colorado joint venture formed pursuant to the Uniform Partnership Law, its successors and assigns.

(d) "Living Unit" shall mean and refer to the principal structure upon a Lot and

all easements appurtenant thereto.

(e) "Lot" shall mean any of Lots 1-23 Phase 1, Lots 1-12 Block 2, Lots 1-17, Block 3, Lots 1-22 Block 4 and Lots 1-15 Block 5, inclusive, according to the recorded plats of Somerset Estates, a Resubdivision of Hillside Estates Subdivision and a subdivision of a portion of the South 1/2 of said Section 31.

(f) "Member" shall mean and refer to all those Owners who are Class A or Class B members of the Association as provided in Article III, Section I, hereof.

(g) "Mortgage" shall include a deed of trust or other form of hypothecation.

(h) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situate upon the Property but, notwithstanding any applicable theory of the Mortgage, shall not mean or refer to the Mortgage unless and until such mortgagee has acquired fee simple title to the Lot or Living Unit pursuant to foreclosure or a proceeding in lieu of foreclosure.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. The Property. The property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is located in Boulder County, Colorado and is more particularly described as follows:

Lots 1-23 Phase 1, Lots 1-12 Block 2, Lots 1-17, Block 3, Lots 1-22 Block 4 and Lots 1-15 Block 5, inclusive, according to the recorded plats of Somerset Estates, a Resubdivision of the Hillside Estates Subdivision, and a Subdivision of a portion of the South 1/2 of Section 31, T2N, R69W of the Sixth Principal Meridian, Boulder County, Colorado.

Section 2. Mergers. Upon a merger or consolidation of the Association with another association, the properties, rights and obligations of the merged or consolidated association(s) shall be added to and become the properties, rights and obligations of the surviving association. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration with the Property. No such merger or consolidation shall affect a revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. The Association shall have two classes of voting membership, and the relative rights, preferences and limitations of the two classes of membership shall be the same, except as to voting rights.

(a) Every person or entity, other than Declarant, who is a record owner of a fee or undivided fee interest in any Lot which is or may be subject by covenants of record to assessment by the Association shall be a Class A member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member.

(b) Declarant, so long as it is record owner of a fee interest in any Lot, shall be a Class B member of the Association.

Section 2. Voting Rights. The two classes of voting membership shall be entitled to vote as follows:

(a) Each Class A member who is current in his dues shall be entitled to one vote for each Lot in which they hold the interests required for membership by Section 1 of Article III. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for each Lot shall be exercised as they, among themselves, determine.

but in no event shall more than one vote be cast with respect to any such Lot. In the event that more than one person holds such interest or interests in any Lot but such persons cannot agree among themselves as to how their vote is to be cast, then their vote shall be cast as follows: Each person who owns an undivided interest in the fee shall vote a fractional vote which is the same as his fractional ownership of the fee, and the holder of a future interest entitled to possession as a later date. Purchasers who have entered into possession under a contract to purchase a fee or undivided fee interest shall become a Member as of the date of closing on that contract.

Tenants shall have no vote in Association affairs on account of their status as tenants. Tenants shall have such right to appear at Association meetings and be heard as may be determined by the Association through its bylaws or other rules adopted by it.

(b) Each Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Article III hereof, regardless of whether such Lots are subject to assessments at the time of such voting.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every Member shall have a right and easement of enjoyment in and to the Common Properties, and such easement shall be appurtenant to and shall pass with the title to every Lot. Members may assign their easement and right of enjoyment with respect to any Lot to a tenant occupying the Living Unit located thereon. However, no right or easement of enjoyment shall arise in any Outlot of the Common Properties until that Outlot has been conveyed to the Association and the deed conveying the same has been recorded in the records of the Clerk and Recorder of Boulder County.

Section 2. Title to Common Properties; Additions to Common Properties. The Declarant covenants for itself, its successors and assigns that it shall convey the Common

Properties to the Association free of all liens. Declarant reserves the right, however, to convey that portion of Outlot D described in Exhibit "A" attached hereto to the Association or to another association to be established for the benefit of the homeowners in the Subdivision.

The Declarant, or the Declarant's assigns, may convey additional property to the Association, which property shall be accepted by the Association and held as part of the Common Properties; provided, however, that the Association shall not be required to accept the conveyance of any such additional property unless such additional property is located within the Subdivision and, unless at the time of the conveyance of such additional property, such property is improved and landscaped to meet the requirements, if any, of the governmental bodies having jurisdiction over the Subdivision or the Board of Directors of the Association shall have obtained assurances satisfactory to it that such work will be accomplished.

The Board of Directors of the Association may at any time accept the conveyance of additional properties which do not meet the foregoing standards if it determines that such action would be beneficial to the Members.

The Association agrees to accept the Common Properties as conveyed and to operate, maintain and repair all structures, landscaping, paths and related facilities and amenities now or hereafter constructed, installed or planted thereon, using its power of assessment granted herein to raise funds with which to do so. Specifically, the Association shall be responsible for:

(a) The operation, maintenance and repair of any structures, signs, landscaping and related facilities and amenities now or hereafter constructed, installed or planted upon Common Properties of the Subdivision, and

(b) The operation, maintenance and repair of any structures, facilities, pumping equipment, waterlines, landscaping and appurtenances thereto (including, specifically, drainage or storm sewer facilities, and inlet or outlet structures therefor) constructed or installed in or on Common Properties of the Subdivision, and in or on easements attaching or appurtenant

thereto.

(c) The acquisition and maintenance of the liability insurance described and provided for in Article VII hereof.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to:

(a) All easements, reservations, restrictions, covenants and agreements of record affecting the Subdivision as of the date and time of the recording of this document;

(b) The right of the Declarant and the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties, and in aid thereof to mortgage the Common Properties, or parts thereof, provided that any such mortgage shall require the same vote of the members of the Association as are required for the levying of special assessments under Section 4 of this Article. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admissions and other fees as a condition to continued enjoyment by the Members until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association, and all rights of the Members hereunder shall be fully restored;

(c) The right of the Association to take such steps as are reasonably necessary to protect the above described properties against foreclosure,

(d) The right of the Association to prescribe reasonable rules and regulations governing use of the property and providing rules for use by Members, Members' families, tenants, tenants' families and guests;

(e) The right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyment rights of any Member or his family, tenant or tenant's family for any period during which any assessment on the Member remains unpaid and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations;

(f) The right of the Association to charge Members, Members' families, tenants and guests reasonable admission and other fees for the use of the Common Properties;

(g) The right of the Association to dedicate or transfer all or any part of the Common Properties to a third party, provided that any such dedication or transfer shall be effective only when an instrument signed by seventy-five percent (75%) of the Members has been recorded agreeing to such dedication or transfer;

(h) The right of the Declarant (or his assigns, employees and contractors) to enter upon the Common Properties and install, construct, maintain, replace and operate drainage facilities; and

(i) The right to enter upon Common Properties or easements to repair, maintain, mow, water, fertilize, control weeds and trim living or dead vegetation.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot within the Subdivision hereby covenants, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such assessments or charges which are established from time to time by the Association and such special assessments for capital improvements as are fixed and established from time to time by the Association as hereinafter provided. Such assessments on each Lot, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall

be used exclusively i) for the purpose of promoting the health, safety and welfare of the residents in the Subdivision by the improvement and maintenance of Common Properties, services and facilities which are devoted to this purpose and which are located on or which are conducted on the Property or on the Common Properties; ii) for legal and accounting fees and costs associated with activities of the Association; iii) for creation of reasonable reserves for working capital or anticipated replacement or repair of property or other major expenditures; and iv) for all things necessary or incidental thereto. The Association shall not be obligated for initial construction work committed to by the Declarant by Subdivision Agreement with the County of Boulder, Colorado.

Section 3. Maximum Maintenance and Operating Assessments and Basis for Allocating Same.

3.1 Payment of Assessments. Assessments shall commence to accrue on all Lots in any Phase or Development Block only upon the sale of the first Lot within such Phase or Block.

3.2 Maximum Assessment. Until April 1, 1994 the maximum assessment shall be \$35.00 per month per Lot payable quarterly in advance. From and after April 1, 1994, the maximum assessment may be increased by vote of the Members, as hereinafter provided, for the next succeeding three years, and at the end of each such period of three years, for each succeeding period of three years thereafter.

The Board of Directors of the Association shall, after consideration of current maintenance costs and future needs of the Association, fix the assessment for any year, which may be a lesser amount than the maximum.

3.3 Allocation of Assessments. The assessments shall be allocated in equal amounts to all the Lots subject to assessment at the time the assessment is made, regardless of the location, size or nature of the Lot.

Section 4. Special Assessments for Capital Improvements. In addition to the

assessments authorized by Section 3 of this Article, the Association may levy a special assessment, applicable to such years as are described in the resolution authorizing the assessment, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Property or upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that a resolution establishing any such assessment shall have the written assent of seventy-five percent (75%) of the votes of all of the Members.

All or any part of the proceeds of any special assessment made as above provided, for the entire period over which the assessment is to be levied or any part thereof, may be assigned to a lender as security for repayment of a loan made to pay, in whole or in part, the expenditure for which the special assignment was authorized. The rights granted to the lender under such assignment may include the right to require the Association to collect the special assessment and the right of the lender directly to enforce any right of the Association to collect the special assessment.

Section 5. Change in Maximum Assessments and Basis for Allocating Same. Subject to the limitations of Section 3 of this Article, and at the time and for the periods therein specified, the Association may change the maximum assessment and the basis for allocation of the assessments fixed by Section 3 hereof, provided that any such change shall have the written assent of seventy-five percent (75%) of the votes of all of the Members; and further provided, however, that the limitations of Section 3 of this Article shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 2, hereof.

Section 6. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at

that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall be sent to every Owner.

The Association shall upon demand at any time furnish to any Owner liable for said assessment or any mortgagee or purchaser of a Lot a certification in writing signed by an officer of the Association setting forth whether said assessment has been paid and the amount of any unpaid assessments which are due and owing. As to any mortgagee or purchaser who has disbursed funds in reliance thereon, such certificates shall be conclusive against the Association as to items set forth therein.

Section 7. Effect of Non-Payment of Assessments; the Personal Obligation of the Owner; the Lien; Remedies of the Association. If an assessment is not paid on the date when due (being the date specified in Section 6 of this Article), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, including but not limited to costs and attorneys' fees. The assessment and related costs and attorneys' fees shall be a lien against the Lot assessed, and all appurtenances thereto and fixtures thereon, and shall also be the personal obligation of the Owner of the Lot as of the effective date of the assessment.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the Lot subject thereto; and there shall be added to the amount of such assessment interest as above provided, plus all costs of collection, including the Association's fees incurred in connection with the default and collection of amounts due.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now

or hereafter placed upon the Lot subject to the assessment ; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the issuance of a deed to such Lot pursuant to a decree of foreclosure, or a sheriff's deed pursuant to a decree of foreclosure, or a public trustee's deed pursuant to foreclosure through the public trustee, or a deed issued in any proceeding in lieu of foreclosure. Such deed shall not relieve such Lot from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

Section 9. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments charge and lien created herein: (i) all properties, to the extent of any easement or other interest therein, dedicated to and accepted by a public authority and devoted to public use; (ii) all Common Properties ; (iii) all properties exempted from taxation by the laws of the State of Colorado, upon terms and to the extent of such legal exemption; and (iv) all Lots owned by the Declarant in any Phase or Development Block in which a sale of any Lot to a third party in such Phase or Block has not yet occurred.

Section 10. Payment of Assessments by First Mortgagees. First mortgagees of a Lot may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Properties and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Properties, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE VI

OBLIGATION TO MAINTAIN DRAINAGE/STORM SEWER AND

OTHER FACILITIES IN A SAFE CONDITION:

RECEIVING AND PROCESSING OF COMPLAINTS

Section 1. Regular Maintenance Program for Drainage/Storm Sewer Facilities. The

Association shall establish a regular maintenance program for the drainage and storm sewer facilities (including inlet and outlet facilities therefor) located in or on the Lots and in or on the Common Properties.

Section 2. Routine Safety Inspections; Correction of Unsafe Conditions. The Association shall cause routine safety inspections to be made of the Properties and the Common Properties, and the improvements thereon, and promptly make reasonable corrections of unsafe conditions.

Section 3. Complaints. Complaints shall be made to the President of the Association or his designee, or to the Board of Directors of the Association. All complaints made to the Association shall be disposed of pursuant to policies established by the Board of Directors of the Association.

Section 4. Amendments. These covenants shall not be altered or amended without the prior consent of The Niwot Sanitation District and Left Hand Water District as to any amendment affecting the obligations of the Association to these districts.

ARTICLE VII

INSURANCE

Section 1. Insurance Requirements Generally. The Association shall obtain and maintain in full force and effect such casualty, liability and other insurance as the Board of Directors from time to time deems proper and appropriate or as may be required by contracts or agreements entered into by the Association with third parties. All such insurance shall be obtained from companies duly authorized and licensed to sell insurance in the State of Colorado.

Section 2. Condemnation. In the event proceedings are initiated by any government, or any agency thereof, seeking to take by eminent domain any part or interest in the Common Properties, or any improvement thereon with a value (including loss of value to the balance of the Common Properties and improvements thereon) as reasonably determined by the Association, in

excess of \$10,000, the Association shall give prompt notice thereof, including a description of the part of or interest in the Common Properties or improvement thereon sought to be so condemned, to all first mortgagees and to all Members. The Association shall have full power and authority to defend in said proceeding, provided that the Association shall not enter into any settlement or other non-adversary disposition of said proceeding pursuant to which the Common Properties or any part thereof or interest therein is relinquished without giving all first mortgagees and all Members at least fifteen (15) days' prior written notice thereof.

In the event, following such proceedings, there is such a taking in condemnation or by eminent domain of a part or all of the Common Properties, the award made for such taking shall be payable to the Association. If seventy-five percent (75%) or more of the Members duly and promptly approve the repair and restoration of the Common Properties, the Association shall arrange for the same and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event seventy-five percent (75%) or more of the Members do not duly and promptly approve the repair and restoration of such Common Properties, the Association shall disburse the net proceeds of such award to the Members, the Owner of each Lot receiving one equal share, provided that the Association shall first pay out of the share of each Member the amount of any unpaid liens or encumbrances on his Lot in the order of priority over the rights of a first mortgagee pursuant to the mortgage on such Member's Lot in the case of a distribution to a Member of insurance proceeds or condemnation award for losses to or a taking of Lots or Common Properties, or both.

Section 3. Destruction. In the event of any casualty or occurrence which causes damage or destruction to the Common Properties or any part thereof, or any improvement thereon in excess of \$10,000 as reasonably determined by the Association, the Association shall give all first mortgagees and all Members, or their assigns, prompt written notice thereof. The Association shall have full power and authority to adjust any such losses with the insurance carrier

and to bring to suit or negotiate for reimbursement of such loss, provided that no non-adversary adjustment or settlement of any such loss shall be made by the Association without giving first mortgagees and all Members at least fifteen (15) days' prior notice thereof.

In the event of damage or destruction to such improvements due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power to cause the repair and restoration of the improvements.

If the insurance proceeds are insufficient to repair and reconstruct the improvements, such damage or destruction shall be promptly repaired and reconstructed by the Association using the proceeds of insurance on the improvements which have been damaged or destroyed and the proceeds of an assessment against the Members, each Member being assessed his share of the difference between the insurance proceeds and the cost of repairing the improvements. Any such assessments shall be made by the Board of Directors after consultation with such Members, appraisers, contractors and other persons as it deems appropriate. Any assessments so made shall be due and payable as provided by Resolution of the Board of Directors of the Association. The Association shall have full authority, right and power to cause the repair and restoration of the improvements using all of the insurance proceeds, notwithstanding the failure of a Member to pay the assessment. Any assessment not paid shall be collected as provided in Article V.

Section 4. Appointment of Attorney-in-Fact. All of the Members irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of repairing and reconstructing improvements should they be damaged or destroyed as set forth above. Repair and reconstruction of the improvements, as used in this Article, means restoring the improvements to substantially the same condition in which they existed prior to the damage, with each improvement having the same boundaries as before. The

proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacements as is provided herein. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of any Member which may be necessary and appropriate to exercise the powers herein granted.

ARTICLE IX

MANAGEMENT AND SERVICES CONTRACTS

Any agreement for professional management of the affairs and property of the Association made by the Association with any person or entity, or any other contract entered into by the Association providing for other services, shall provide for termination by either party to such agreement or contract without cause or payment of a termination fee on ninety (90) days' or less written notice. Any such contract or agreement shall be in effect for a term not to exceed three (3) years.

ARTICLE X

IRRIGATION DITCH EASEMENTS AND RIGHTS OF WAY

The irrigation ditches which exist upon the Property or the Common Properties, or which abut the Property or Common Properties, are not available and shall not be used for the use and enjoyment of the Members, Members' families, guests or tenants. Any unauthorized entry upon said irrigation ditches shall be deemed a trespass, and neither the Declarant, the Association, the County of Boulder nor the ditch company or companies shall be liable for any injuries or damages suffered or incurred by the person or persons making said unauthorized entry upon said irrigation ditches. Notwithstanding the disclaimer herein contained, the Association shall, to the extent that it can acquire public liability insurance covering such injuries or damages at an annual premium not to exceed \$500, secure such insurance in amounts acquirable for the annual premium herein noted and shall maintain said insurance in full force and effect so long as the same is so available.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Duration. The restrictions, conditions and covenants herein set forth are covenants which run with the land and shall be binding upon Declarant and successive owners of the Lots or any parts thereof until the 31st day of December, 2015, and, after said date, they shall be extended for successive periods of ten (10) years each, unless there is recorded within one year before December 31, 2015, or before the expiration of any extended ten-year period, an instrument signed by seventy-five percent (75%) or more of the Members then subject to these restrictions revoking or modifying such restrictions. Further, at any time from time to time while these covenants and restrictions are in effect, they may be amended or revoked by the recording in the office of the County Clerk and Recorder of Boulder County of an instrument signed by seventy-five percent (75%) or more of the Members setting forth such amendment or revocation; provided, however, that any such amendment shall not have the effect of rendering said covenants and restrictions more difficult to comply with or of imposing more severe restrictions. A certificate signed and acknowledged by the County Assessor of the County of Boulder or by an abstractor or title company doing business in Boulder County that any such instrument has been signed by seventy-five percent (75%) or more of the Members shall be deemed prima facie evidence that such instrument has been signed by the required number of Members.

Section 2. Notices. Any notice required to be sent to any Member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by a proceeding at law or in equity against any person or persons violating or attempting to violate any

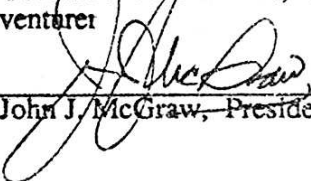
covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of those covenants or restrictions by judgment or court order shall in no way effect any other provisions, which shall remain in full force and effect.

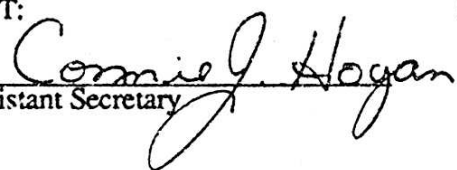
Section 5. Titles and Section Headings. Titles of Articles and section headings shall be disregarded in the interpretation of this document and shall have no binding effect.

Section 6. Rule Against Perpetuities. Any conveyance required herein which has not occurred within the lifetime of John J. McGraw plus twenty (20) years after his death shall not be required.

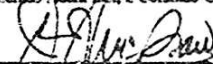
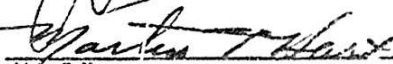


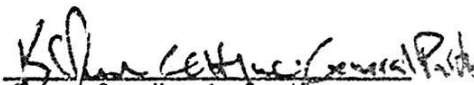
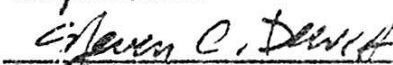
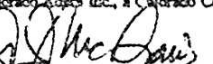


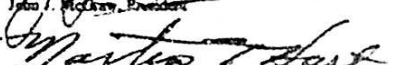

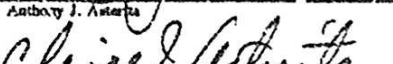

DECLARANT:
Longview Associates, a Colorado joint venture
Colorado Adera Inc., a Colorado Corporation,
venturer




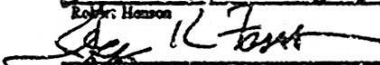
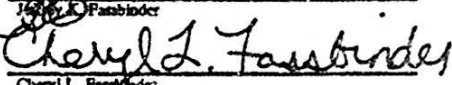
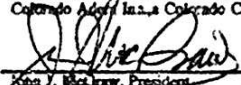
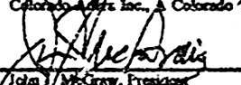
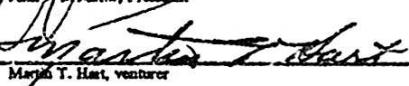
John J. McGraw, President

ATTEST:
By: 
Assistant Secretary

SOMERSET ESTATES HOMEOWNERS COVENANTS SIGNATURE SHEET

LOT/BLOCK OR PHASE	OWNER	SIGNATURE
NORTH OF LONGVIEW DRIVE:		
LOTS-1, 11, 12, 13, 14, 17, 18, 19, 21, 22, 23 PHASE 1	LONGVIEW ASSOCIATES	LONGVIEW ASSOCIATES, a Colorado Joint Venture Colorado Adams Inc., a Colorado Corporation, venturer  John J. McCraw, President
		 Martha T. Hart, venturer
LOT 2 PHASE 1	WILKIE, Danny H. & Eveline A.	 Danny H. Wilkie  Eveline A. Wilkie
LOT 10 PHASE 1	CORNERSTONE-DEMARIA PARTNERS, A Colorado General Partnership CORNERSTONE CUSTOM HOMES, INC., A Colorado Corporation, General Partner, BY: Kenneth C. Jones, President	 Cornerstone Custom Homes, Inc., General Partner Kenneth C. Jones, President
LOT 20 PHASE 1	LEWITT, Steven C.	 Steven C. Dewitt
SOUTH OF LONGVIEW DRIVE:		
BLOCK 2 LOTS 1-12	LONGVIEW ASSOCIATES	LONGVIEW ASSOCIATES, a Colorado joint venture Colorado Adams Inc., a Colorado Corporation, venturer  John J. McCraw, President  Martha T. Hart, venturer
BLOCK 3 LOTS-1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 14, 15, 17	LONGVIEW ASSOCIATES	LONGVIEW ASSOCIATES, a Colorado joint venture Colorado Adams Inc., a Colorado Corporation, venturer  John J. McCraw, President  Martha T. Hart, venturer
LOT 8 BLOCK 3	ASTEKITA, Anthony J. & Claire J.	 Anthony J. Astekita  Claire J. Astekita
LOT 9 BLOCK 3	PUMA PROPERTY PARTNERS, A Colorado General Partnership CZ Development, Inc., General Partner WILLIAMS, Jos P., PRESIDENT	 CZ Development, Inc., General Partner Jos Williams, President

SOME/SET ESTATES HOMEOWNERS COVENANTS SIGNATURE SHEET

LOT/BLOCK OR PHASE	OWNER	SIGNATURE
LOT 13 BLOCK 3	HENSON CONSTRUCTION, INC., A Colorado Corporation HENSON, Robert	 Robert Henson
LOT 16 BLOCK 3	PASSBINDER, Jeffrey K. & Cheryl L.	 Jeffrey K. Passbinder  Cheryl L. Passbinder
BLOCK 4 LOTS 1-22	LONGVIEW ASSOCIATES	LONGVIEW ASSOCIATES- a Colorado joint venture Colorado Advers Inc., a Colorado Corporation, venture  John J. McGraw, President
BLOCK 5 LOTS 1-15	LONGVIEW ASSOCIATES	LONGVIEW ASSOCIATES- a Colorado joint venture Colorado Advers Inc., a Colorado Corporation, venture  John J. McGraw, President  Martin T. Hart, venturer

COUNTY OF BOULDER)
)ss.
STATE OF COLORADO)

The foregoing instrument was acknowledged before me by Martin T. Hart, Venturer, and John J. McGraw as President of Colorado A&Sra, Inc., a Colorado corporation, Venturer of Longview Associates, a Colorado joint venture formed pursuant to the Uniform Partnership Law, Danny H. Wilkie; Eveline A. Wilkie; Kenneth C. Jones, as President of Cornerstone Custom Homes, Inc., a Colorado corporation, a General Partner of Cornerstone-DeMaria Partners, a Colorado General Partnership; Steven C. DeWitt; Anthony J. Asterita; Claire J. Asterita; Jon P. Williams, as President of CZ Development, Inc., a General Partner of Puma Property Partners, a Colorado General Partnership; Robert Henson, as President of Henson Construction, Inc, a Colorado corporation; and Jeffrey K. Fassbinder and Cheryl L. Fassbinder on this 9th day of December, 1992.

Witness my hand and official seal.



Conie J. Hogan
Notary Public

My Commission Expires: My Commission Expires 08-08-96