

EMERGENCY MANAGEMENT PLAN AND AGREEMENT

This Emergency Management Plan and Agreement ("Agreement") is made and entered into this 26th day of June, 2000 by and between the Shield-O-Mesa Road Improvement and Maintenance Association ("Road Association") a Colorado non-profit corporation, and the Shield-O-Terrace Homeowners Association ("Homeowners Association") a Colorado non-profit corporation.

RECITALS

1. In accordance with Ordinance 96-19 of the Board of County Commissioners of Pitkin County, Colorado, the Road Association was formed and an agreement was entered into between the Road Association and the BOCC for the improvement and maintenance of Shield-O-Mesa Road and for related safety measures.
2. In furtherance of its obligations as referred to above, the Road Association adopted a Declaration of Protective Covenants which provide for the construction and maintenance of Shield-O-Mesa Road, the construction of water storage facilities for fire suppression, an emergency evacuation plan, and the financing of all these improvements through assessments.
3. Construction within the Shield-O-Terrace subdivision is constrained by the lack of compliance with Ordinance 96-16.
4. The Road Association and the Homeowners' Association wish to enter into this Agreement for the purpose of providing shared access and the pooling of their financial resources for the mutual benefit of the members of both associations.

NOW THEREFORE, the parties above-named hereby agree as follows:

1. The Road Association and the Homeowners' Association and their members shall comply with the Emergency Management Plan attached hereto as Exhibit "A".
2. From and after the date of this Agreement the Shield-O-Mesa Road shall be known as the Mesa Road and the Shield-O-Terrace Road shall be known as the Shield-O-Road.
3. Henceforth the Mesa Road shall serve as the primary emergency access to both Shield-O-Mesa and Shield-O-Terrace and the previously completed improvements will be recognized as part of this agreement.
4. Henceforth the Shield-O-Road shall serve as the secondary/emergency ingress and egress to both Shield-O-Mesa and Shield-O-Terrace, any improvements to the road will comply with the recently amended specification by the BOCC.

5. Four (4) ten thousand (10,000) gallon water storage tanks shall be constructed by the parties for fire suppression purposes. Two (2) tanks shall be located within the Shield-O-Mesa subdivision and two (2) tanks shall be located within the Shield-O-Terrace subdivision. Shield-O-Terrace assessments are higher than Shield-O-Mesa's because of assessment timing. Shield-O-Terrace's assessments are expected to generate approximately \$100,000.00. Shield-O-Terrace will use funds received to pay for its own improvements and then transfer any overage to Shield-O-Mesa for retiring its road obligation and for installing the two water tanks on the Shield-O-Mesa side. Each association shall have access to all financial information regarding the other association's capital improvements account.

6. Upon construction completion, maintenance for the Mesa Road and Shield-O-Mesa water storage tanks will be assumed by the respective associations.

7. Approximate cost for the above improvement is estimated and recognized by both Associations to be:

Mesa Road Improvements	130,000.00 (complete)
Shield-O Road Improvements	25,000.00
<u>Storage Tank Construction</u>	<u>60,000.00</u>
 TOTAL	 \$ 215,000.00

8. In order to finance the construction and improvement of the road and water storage tanks, the members of both associations shall be subject to the Capital Improvement and Maintenance Assessment as specified in Exhibit "B" hereto. Exhibit "B" is identical to the Exhibit "D" to the Declarant of Protective Covenants for the Road Association. Each Association shall be responsible for collecting such assessments from its members. As of the date of this agreement, there are approximately fifty-five (55) properties in Shield-O-Mesa and approximately thirty (30) recognized properties in Shield-O-Terrace. Based on the assessment schedule set forth in Exhibit "B" and Exhibit "C", the potential revenue amount for these improvements will be approximately \$178,000.00 from Shield-O-Mesa and approximately \$100,800.00 from Shield-O-Terrace.

9. It is acknowledged by the parties that by virtue of the Road Associations' expenditures for improving Mesa Road, the Road Association has incurred an obligation of One Hundred Thirty-Thousand (\$130,000.00) dollars. These past expenditures are the obligations of Shield-O-Mesa only and shall be funded as provided in Exhibit "B".

10. By signing below, the Presidents of the Road Association and the Homeowners' Association represent that they are authorized to execute this Agreement in compliance with the bylaws and covenants of their respective Associations.

11. All of the covenants contained in this Agreement shall be a benefit and a burden on the title of the lands owned by the Associations' Members and shall run with the land and be a burden upon their success and assigns. Each provision contained herein shall be deemed

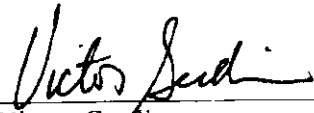
incorporated in each deed or other instrument by which any right, title, or interest in any lands which are the subject matter of this Agreement is granted, devised, or conveyed, whether or not set forth in any such instrument.

12. This Agreement shall be amended or terminated by the parties only upon mutual written agreement. Each party shall obtain authorization for any such action as provided in their respective bylaws and covenants.

13. Should any part or parts of this Agreement be declared invalid or unenforceable by a court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

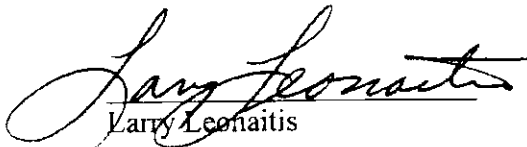
14. In the event of any litigation arising out of the interpretation or enforcement of this agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

7/26/00
Date



Victor Gerdin
President
Shield-O-Mesa
Road Improvement and
Maintenance Association

7/26/00
Date



Larry Leonaitis
President
Shield-O-Terrace
Homeowners' Association

Shield O'Mesa
Road Improvement and Maintenance
Association
Shield O'Terrace Homeowners Association

EXHIBIT "A"
EMERGENCY EVACUATION PLAN

PURPOSE

The purpose of this evacuation plan is to provide information and procedures to the residents of Shield O'Mesa regarding any evacuation of the Shield O'Mesa area made necessary by wildfire or other catastrophic circumstances. Included in this plan is information regarding the following:

Evacuation notification

Evacuation routes

Signage and traffic flow

Return notification

All residents of the Shield O'Mesa area are required to understand and use the evacuation procedures in the event that evacuation is necessary.

EVACUATION NOTIFICATION

Notification of evacuation will be made by the Pitkin County Sheriff's office via telephone and radio announcement. A list of all Shield O'Mesa residents and home phone numbers will be provided to the Pitkin County Sheriff's office for this purpose.

Any and all on site residents will call 911 to report a wildfire or other circumstance warranting evacuation. A telephone tree of existing residents will be in place providing a rapid response and evacuation notice time.

EVACUATION ROUTES

The primary evacuation route will be down Shield O' Road through the Shield O'Terrace subdivision. This will provide unrestricted emergency vehicle traffic up the Shield O' Mesa Road. The intent of this evacuation route is to provide a one way access loop providing unrestricted egress to evacuating vehicle traffic and unrestricted access to emergency vehicle traffic.

Should access down through the Shield O'Terrace subdivision be blocked in any, the primary evacuation route will be Shield O'Mesa Road. Caution must be taken during evacuation allowing emergency response vehicles to proceed unrestricted. Turnouts are available minimally every 500 feet along Shield O'Mesa Road to allow vehicles leaving the area to turn off if necessary.

This same procedure will apply using the Shield O' Terrace road if access is blocked for any reason on the Shield O'Mesa road.

SIGNAGE AND TRAFFIC FLOW

Signs will be available to direct evacuation traffic flow at the following locations:

Top of the hill on Shield O'Mesa road
Intersection of Shield O' Road and Chateau Way
Top of the hill on Shield O'Terrace road

The first person recognizing the best egress option based on the above information will place directional arrows in the appropriate position to guide traffic flow.

RETURN NOTIFICATION

Return notification will be provided by the Pitkin County Sheriff's office at which time the danger of personal injury has been eliminated or minimized to the satisfaction of the Pitkin County Sheriff.

Shield O'Mesa
Road Improvement and Maintenance
Association

EXHIBIT "B"
CAPITOL IMPROVEMENT AND MAINTENANCE ASSESSMENT

The following assessment schedule will provide the funds required to complete the capitol road and fire protection improvements for the Shield O'Mesa area. The yearly assessments will be due on September 1 of each year beginning in 1997. A separate capitol improvement checking account will be maintained for the purposes of collecting and holding assessments as well as dispersing payments.

PROPOSED CAPITOL IMPROVEMENT ASSESSMENT

\$500/year for 10 years for undeveloped property (as of January 1, 1997)

\$125/year for 10 years for developed property (as of January 1, 1997)

APPROXIMATE TOTAL OF AVAILABLE CAPITOL	\$197,500
APPROXIMATE AVAILABLE CAPITOL PER YEAR	\$19,750

Property owners have the option to pay a one time assessment upfront:
\$4,000 for undeveloped property
\$1,000 for developed property

The following assessment schedule will provide the necessary funds to provide for yearly road maintenance and snow removal. A separate maintenance checking account will be maintained for the purposes of collecting and holding assessments as well as dispersing payments. These assessment will be due on December 1 of each year.

PROPOSED ANNUAL MAINTENANCE ASSESSMENT

\$325/year for existing residents

\$100/year for undeveloped property

APPROXIMATE AVAILABLE MAINTENANCE PER YEAR	\$8,150
(at the current ratio of residents to non-residents)	

These assessment amounts may change as necessary as prescribed by the Bylaws and Protective Covenants of the Association.