

MEMORANDIUM OF UNDERSTANDING
BETWEEN THE MISSION VIEJO HOMEOWNERS' ASSOCIATION INC. OF
AURORA, COLORADO
AND
SEVILLE TOWNHOME ASSOCIATION OF AURORA, COLORADO

This Memorandum of Understanding (MOU) by and among the Mission Viejo Homeowners' Association, Inc. hereinafter referred to as "Mission Viejo HOA" and the Seville Townhome Association, hereinafter referred to as "Seville". The effective date shall be the last date on which an authorized representative of the parties signed below.

Whereas, it is understood that the Mission Viejo neighborhood in Aurora Colorado has always had unique southwestern style "slump block" walls and fence columns on right-of-way areas and abutting some residences, town homes and businesses; and

Whereas, it is the intent of the Mission Viejo HOA and Seville to conserve and protect the appearance of the community for the benefit of the neighborhood for current and future owners within the community; and

Whereas, it is understood that because the unique "slump block" wall materials are locally unavailable, the Mission Viejo HOA has agreed to purchase replacement "slump blocks" from a brick manufacturer in California to assist in the replacement of broken and damaged blocks within the community for individual residents, the Seville community, other neighborhood HOA's and business owners within the Mission Viejo planned community; and

Whereas, it is understood that Seville has agreed to store the purchased "slump block" bricks for an unspecified period of time on Seville property; and

Whereas, it is understood that such purchase of the "slump blocks" will be partially reimbursed to the Mission Viejo HOA through re-purchase by residents of Mission Viejo HOA, the Seville Association, other HOA's and neighborhood business owners at a rate set by the Executive Board of the Mission Viejo HOA as replacement and repair needs occur; and

Whereas, the Mission Viejo HOA is helping to subsidize the transportation and purchase of the “slump blocks” and not to profit from the resale of the “slump blocks”; and

Whereas, it is understood that the purchase of the “slump block” materials by the Mission Viejo HOA does not in any way or for any purpose imply or signify maintenance or repair responsibilities of Mission Viejo HOA to the said walls or columns within the Mission Viejo community and that the purchase of said materials is considered a furtherance of the common good to help promote the general welfare of the community in retaining its ascetic value;

NOW, THEREFORE, Mission Viejo HOA, and Seville with respect to this Memorandum of Understanding agree to the following:

1. Seville shall store the Mission Viejo HOA purchased “slump block” indefinitely on Seville common property within an enclosed garage facility.
2. Seville shall make an effort to safeguard the “slump block” bricks but will not guarantee against unforeseen theft or accidental damage.
3. The Mission Viejo HOA shall hold Seville harmless in matters of criminal theft and accidental damage.
4. The Mission Viejo HOA shall set reasonable reimbursement rates to the residents and owners in the community and Seville needing to purchase the “slump block” material. Rates may be adjusted on a case-by-case basis.
5. Mission Viejo HOA reserves the right to negotiate the transfer of any ownership rights or fees of the “slump block” upon dissolution or under any negotiation with Seville. Such ownership change or rights thereof shall be made through an amendment of this agreement.
6. In granting this Agreement, Seville reserves the right to make full use of common property facilities where the bricks are to initially be stored as may be necessary or convenient for Seville. In the

event the stored Mission Viejo HOA's "slump block" bricks interfere with Seville's use or operation of its property, at any time hereafter, Seville will immediately notify Mission Viejo HOA of any change of storage arrangements needed and work jointly toward an amendment of this agreement.

7. At no time shall Mission Viejo HOA and its residents or agents of either interfere with the storage facilities of Seville. Mission Viejo HOA, Mission Viejo HOA residents, and any agents on behalf of either a resident or Mission Viejo HOA may access the garage facility only at a time and date that has been pre-arranged with the management company of Seville. An Executive Board Member or agent of Seville will arrange to meet an Executive Board Member of Mission Viejo HOA and the resident representative at the storage facility. The Mission Viejo HOA agrees to present to the Seville Executive Board or management agent a written authorization letter using Mission Viejo HOA letterhead each time of entry request is made indicating approval to pick up and receive a specified quantity of blocks.

Any and all proposed changes to this agreement shall not occur without notification and written approval from both the Mission Viejo HOA Executive Board and the Executive Board of Seville.

Stipulations:

1. Amendments and Noncompliance

If any signatory to this MOU, determines that its terms will not or cannot be carried out or that an amendment to its terms must be made, that party shall immediately consult with the other party to develop an amendment to this MOU. The amendment will be effective on the date a copy is signed by current representatives of the Mission Viejo HOA and Seville. If the signatories cannot agree to appropriate terms to amend the MOU, any signatory may terminate the agreement in accordance with Stipulation 2, below.

2. Suspension of Agreement

Any party to this Agreement may suspend it by at least ninety (90) day written notice to the other party. If this occurs, the parties will consult further to determine whether the issues can be resolved and the Agreement re-implemented in an amended form.

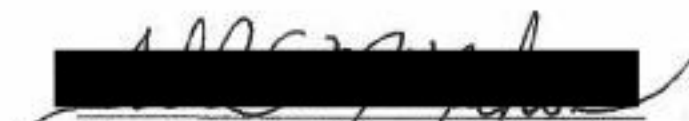
3. Termination

If this MOU is not amended or re-implemented, it may be terminated by any signatory following the suspension of the agreement and the time frame of notice in accordance with Stipulation 2 above.

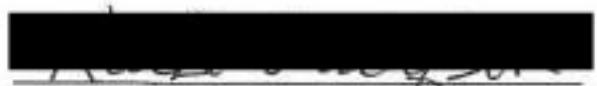
Adopted on Feb. 15, 2011 by the Mission Viejo Homeowners' Association Executive Board.

Adopted on 02/22, 2011 by the by the Seville Townhome Association Executive Board.

Signed:


President Mission Viejo HOA

Signed:


President Seville Townhome Association