

STATE OF COLORADO, COUNTY OF MOFFAT

RECORDED AT 8:16 O'CLOCK A M AUG 11 1981

RECEPTION NO. 268574 BARBARA L. TERRILL, RECORDER

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATIONS, INC.

THIS DECLARATION is made this 10 day of August, 1981
by COUNTRY CLUB HEIGHTS JOINT VENTURE, a Colorado general partner-
ship ("Declarant").

ARTICLE I

Misc # 5556

GENERAL

Section 1.1. Project Area. Declarant is the owner of cer-
tain parcel of land in Moffat County, Colorado, which is more par-
ticularly described on Exhibit "A" attached hereto (the "Project
Area").

Section 1.2. Purposes of Declaration. This Declaration is
executed (a) in furtherance of a common and general plan for the
Project Area; (b) to protect and enhance the quality, value,
desireability and attractiveness of all property which is part of
the Project Area; (c) to provide for an Association as a vehicle
to hold, maintain, care for and manage the Common Area and to per-
form functions for the benefit of Owners of Privately Owned Sites
within the Project Area; (d) to define the duties, powers and
rights of the Association; and (e) to define certain duties,
powers and rights of Owners of Privately Owned Sites within the
Project Area.

Section 1.3. Declaration. Declarant, for itself, its
successors and assigns, hereby declares that the Common Area which
is subject to this Declaration shall, from the date hereof, be
owned, held, transferred, conveyed, sold, leased, rented, hypothe-
cated, encumbered, used, occupied, maintained, altered and
improved subject to the covenants, conditions, restrictions, limi-
tations, reservations, exceptions, equitable servitudes and other
provisions set forth in this Declaration, for the duration
thereof, all of which are declared to be part of, purusant to, and
in furtherance of a common and general plan of development,
improvement, enhancement and protection of the Project Area. The
provisions of this Declaration are intended to and shall run with
the land and, until their expiration in accordance with Section
11.1 hereof, shall bind, be a charge upon and inure to the mutual
benefit of (a) all of the property which constitutes part of the
Project Area and each part or parcel thereof, (b) Declarant and
its successors and assigns, (c) the Association and its successors
and assigns, and (d) all Persons having or acquiring any right,
title or interest in any property which becomes part of the Pro-
ject Area or any part or parcel thereof or any Improvement thereon
and their heirs, personal representatives, successors and
assigns.

ARTICLE II

DEFINITION

Unless otherwise expressly provided herein, the following
words and phrases when used in this Declaration shall have the
Declaration shall have the meanings hereinafter specified.

Section 2.1. Administrative Functions. "Administrative
Functions" shall mean all functions as are necessary and proper

under this Declaration, except Recreation Functions and Public Functions, as hereinafter defined, and shall include, without limitation, providing management and administration of the Association, providing architectural review services under Article IX hereof, incurring reasonable attorneys' fees, Manager fees, and accountants' fees, obtaining errors and omissions insurance for officers, directors and agents of the Association, obtaining fidelity bonds for any Person handling funds of the Association, paying taxes levied against the Common Area, incurring filing fees, recording costs and bookkeeping fees, obtaining and maintaining offices and office furniture and equipment and performing other such reasonable and ordinary administrative tasks associated with operating the Association.

Section 2.2. Architectural Committee. "Architectural Committee" shall mean the Committee provided for in Article IX of this Declaration.

Section 2.3. Articles of Incorporation. "Articles of Incorporation" shall mean the Articles of Incorporation of Country Club Heights Homeowners Association, Inc., which have been or will be filed in the office of the Secretary of State of the State of Colorado, a copy of which is attached hereto as Exhibit "C", as the same may be amended from time to time.

Section 2.4. Assessment. "Assessment" shall mean a Common Assessment, a Special Assessment or a Reimbursement Assessment as hereinafter defined.

Section 2.5. Association. "Association" shall mean the Country Club Heights Homeowners Association, Inc., a Colorado corporation, its successors and assigns.

Section 2.6. Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 2.7. Budget. "Budget" shall mean a written, itemized estimate of the expenses to be incurred by the Association in performing its functions under this Declaration and prepared pursuant to Section 7.12 of this Declaration.

Section 2.8. Bylaws. "Bylaws" shall mean the Bylaws of the Association which have been or will be adopted by the Board of Directors of this Association, a copy of which is attached hereto as Exhibit "D", as the same may be amended from time to time.

Section 2.9. Common Area. "Common Area" shall mean all real and personal property, including improvements, to be owned by the Association at the time of the conveyance of the first Privately Owned Site or with respect to which the Association holds an easement for the use, care or maintenance thereof, held for the common use and enjoyment of its Members as provided herein and for other purposes as may be permitted by this Declaration, as more particularly described on Exhibit "B" attached hereto.

Section 2.10. Common Assessment. "Common Assessment" shall mean the assessments made for the purpose of covering the portion of the annual costs of operating the Association, including expenses incurred in connection with any authorized function of the Association, which are to be paid by each Owner to the Association for purposes provided herein and charged to such Owner and to the Privately Owned Site of such Owner. Each Common Assessment includes an Administrative Functions Common Assessment ("AFCA") and may or may not include a Recreation Functions Common Assessment ("RFCA") or a Public Functions Common Assessment ("PFCFA"), or both, as further provided in Section 7.8 of this Declaration.

Section 2.11. Declarant. "Declarant" shall mean Country Club Heights Joint Venture, a Colorado general partnership, its successors and assigns. A Person shall be deemed a "successor and

assign" of Country Club Heights Joint Venture as Declarant only if specifically designated in a duly Recorded instrument as a successor or assign of Declarant under this Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in the written instrument. However, a successor to Country Club Heights Joint Venture by consolidation or merger shall automatically be deemed a successor or assign of Country Club Heights Joint Venture as Declarant under this Declaration.

Section 2.12. Declaration. "Declaration" shall mean this instrument as it may be amended from time to time.

Section 2.13. Deed of Trust. "Deed of Trust" shall mean a Mortgage as hereinafter defined.

Section 2.14. FHA. "FHA" shall mean the Federal Housing Administration of the United States Department of Housing and Urban Development, including such department or agency of the United States government as shall succeed to the FHA in insuring notes secured by mortgages and deeds of trust on residential real estate.

Section 2.15. FHLMC. "FHLMC" shall mean the Federal Home Loan Mortgage Corporation or The Mortgage Corporation created by Title III of the Emergency Home Finance Act of 1970, including any successor thereto.

Section 2.16. FNMA. "FNMA" shall mean the Federal National Mortgage Association, a government-sponsored private corporation established as such pursuant to Title VIII of the Housing and Urban Development Act of 1968, including any successor thereto.

Section 2.17. GNMA. "GNMA" shall mean the Government National Mortgage Association administered by the United States Department of Housing and Urban Development, including any successor thereto.

Section 2.18. Government Mortgage Agencies. "Government Mortgage Agencies" shall mean the FHA, the VA, the FHLMC, the GNMA, the FNMA, or any similar entity, public or private, authorized, approved or sponsored by any governmental agency to insure, guarantee, make or purchase Mortgage loans.

Section 2.19. Improvements. "Improvements" shall mean all structures and any appurtenances thereto of every type or kind, including, but not limited to, buildings, outbuildings, swimming pools, patio covers, awnings, painting of any exterior surfaces of any visible structure, additions, walkways, bicycle trails, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, exterior air conditioning and water softener fixtures.

Section 2.20. Maintenance Funds. "Maintenance Funds" shall mean the accounts into which the Board shall deposit monies paid to the Association and from which disbursements shall be made in the performance of the functions of the Association pursuant to Article VII hereof.

Section 2.21. Manager. "Manager" shall mean any one or more Persons employed by the Association as hereinafter provided in this Declaration who is engaged to perform any of the duties, powers or functions of the Association.

Section 2.22. Member. "Member" shall mean the Person, or if more than one, all Persons collectively, who constitute the Owner of a Privately Owned Site.

Section 2.23. Mortgage. "Mortgage" shall mean any mortgage or deed of trust or other such instrument, given voluntarily by the Owner of a Privately Owned Site, encumbering the Privately Owned Site to secure the performance of an obligation or the payment of a debt and which is required to be released upon the performance of the obligation or payment of the debt. The term "Deed of Trust" when used herein shall be synonymous with the term "Mortgage."

Section 2.24. Mortgagee. "Mortgagee" shall mean a mortgagee under a Mortgage or a beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee.

Section 2.25. Mortgagor. "Mortgagor" shall mean the Person who mortgages his or its property to another (i.e., the maker or grantor of a Mortgage). The term "Mortgagor" shall include a trustor under a Deed of Trust.

Section 2.26. Notice and Hearing. "Notice and Hearing" shall mean a written notice and a public hearing before the Board of Directors or a tribunal appointed by the Board, in the manner provided in this Declaration or in the Bylaws.

Section 2.27. Owner. "Owner" shall mean the Person, including Declarant, or if more than one, all Persons collectively, who hold fee simple title of Record to a Privately Owned Site, including sellers under executory contracts of sale and excluding buyers thereunder.

Section 2.28. Person. "Person" shall mean a natural person, a corporation, a partnership or any other entity.

Section 2.29. Privately Owned Site. "Privately Owned Site" or "Site" shall mean any lot or parcel of land within the Project Area which is shown upon any Recorded plat map or any other parcel of land which may be sold or conveyed without violation of the provisions of Colorado law pertaining to the subdivision of land. "Privately Owned Site" or "Site" shall not include: (a) any property owned by a public body, or (b) the Common Area as defined herein.

Section 2.30. Project Area. "Project Area" shall mean the real property described in Exhibit "A" attached hereto.

Section 2.31. Public Functions. "Public Functions" shall mean providing public services commonly associated with municipal or other local governments, including, without limitation, providing security protection, fire protection, animal control, vegetation control, insect and pest control, parking facilities, drainage facilities, trash and solid waste disposal services, and utility services. The foregoing list shall not be deemed to be a representation by Declarant of services or facilities which will be available to the Owners.

Section 2.32. Record or Recorded. "Record" or "Recorded" shall mean the filing for record of any document in the office of the Clerk and Recorder of Moffat County, Colorado.

Section 2.33. Reimbursement Assessment. "Reimbursement Assessment" shall mean a charge against a particular Owner and his Privately Owned Site for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation, directly attributable to the Owner, of the Declaration or the Rules and Regulations, pursuant to Section 7.20 hereof, together with late charges and interest as provided for herein.

Section 2.34. Rules and Regulations. "Rules and Regulations" shall mean rules and regulations adopted by the Board of Directors as provided in Section 4.17 of this Declaration.

Section 2.35. Special Assessment. "Special Assessment" shall mean a charge against each Owner and his Privately Owned Site representing a portion of the costs to the Association for the purpose of funding major capital repairs, maintenance, replacements and Improvements, pursuant to Section 7.19 hereof.

Section 2.36. VA. "VA" shall mean the Veterans Administration of the United States of America, including such department or agency of the United States government as shall succeed to the VA or its present function of issuing guarantees with respect to notes secured by Mortgages on residential sites.

ARTICLE III

ASSOCIATION OPERATION

Section 3.1. Association. The Association has been or will be formed as a Colorado corporation under the Colorado Nonprofit Corporations Act. The Association shall have the duties, powers and rights set forth in this Declaration and in its Articles of Incorporation and Bylaws. As more specifically set forth hereinafter, the Association shall have a Board of Directors to manage its affairs; the Board of Directors shall be elected by the Members.

Section 3.2. Association Board of Directors. The affairs of the Association shall be managed by a Board of Directors. The number, term and qualifications of the Board of Directors shall be fixed in the Articles of Incorporation and Bylaws. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers of the Association or to agents and employees of the Association but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized executive committee, officer, agent or employee without a vote of Members, except as otherwise specifically provided in this Declaration.

Section 3.3. Membership in Association. Each Owner within the Project Area shall be a Member of the Association. There shall be one Membership in the Association for each Privately Owned Site within the Project Area. The Person or Persons who constitute the Owner of a Privately Owned Site shall automatically be the holder of the Membership appurtenant to that Privately Owned Site, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Privately Owned Site. Declarant shall hold a Membership in the Association for each Privately Owned Site owned by Declarant. Membership in the Association shall not be assignable separate and apart from fee simple title to a Privately Owned Site except that an Owner may assign some or all of his rights as an Owner and as Member of the Association to a tenant, or Mortgagee and may arrange for a tenant to perform some or all of such Owner's obligations as provided in this Declaration, but no Owner shall be permitted to relieve himself of the responsibility for fulfillment of the obligations of an Owner under this Declaration.

Section 3.4. Voting Rights of Members. Each Member shall have the right to cast votes for the election of the Board of Directors of the Association. There shall be Class A Members and Class B Members; initially, Class A Members shall be all Members with the exception of Declarant, and each Class A Member shall be entitled to one (1) vote for each Privately Owned Site which he or

it owns. Declarant shall become a Class A Member, with regard to Privately Owned Sites owned by Declarant upon the conversion of Declarant's Class B Membership to Class A Membership as provided below. Declarant shall be the sole Class B Member. The Class B Member shall be entitled to three (3) times the number of votes to which the Class B Member would have been entitled as a Class A Member. The Class B Membership shall cease and be converted to a Class A Membership on the happening of either of the following events, whichever occurs earlier: (a) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership; or (b) on August 1, 1983. The Bylaws of the Association shall provide for the manner, time, place, conduct, and voting procedures for Member meetings for the purpose of electing the Board of Directors.

ARTICLE IV

DUTIES AND POWERS OF ASSOCIATION

Section 4.1. General Duties and Powers of Association. The Association has been formed to further the common interests of the Members. The Association, acting through the Board or Persons to whom the Board has delegated such powers, shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve and enhance the Common Area and to improve and enhance the attractiveness, desirability and safety of the Project Area.

Section 4.2. Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept title to any property, including any Improvements thereon and personal property transferred to the Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all Administrative Functions, Recreation Functions and Public Functions associated therewith, provided that such property and functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests and licenses to use; provided, however, that Declarant does not intend to lease any recreation facility to the Association. Any property or interest in property transferred to the Association by Declarant shall be within the boundaries of the Project Area. Any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and encumbrances (other than the lien of property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, and easements, covenants, conditions, restrictions and equitable servitudes or other encumbrances which do not materially affect the use and enjoyment of the property by the Association or by Owners. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by Declarant shall impose upon the Association any obligation to make monetary payments to Declarant or any affiliate of Declarant including but not limited to, any purchase price, rent, charge or fee. The property or interest in property transferred to the Association by Declarant shall not impose any unreasonable or special burden on the Association other than the normal burdens of ownership of property.

Section 4.3. Duty to Manage and Care for Property. The Association shall manage, operate, care for, maintain and repair the Common Area and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members.

Section 4.4. Duty to Pay Taxes. The Association shall pay all taxes and assessments levied upon the Common Area and all taxes and assessments payable by the Association. The Association shall have the right to contest any such taxes or assessments provided that the Association shall contest the same by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment and provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

Section 4.5. Duty to Maintain Casualty Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, casualty, fire and extended coverage insurance with respect to all insurable Improvements and personal property owned by the Association including coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake and war risk. Casualty, fire and extended coverage insurance with respect to insurable Improvements shall, to the extent reasonably obtainable, be for the full insurable value based on current replacement cost.

Section 4.6. Optional Casualty Insurance. In addition to the casualty insurance to be maintained by the Association pursuant to Section 4.5, the Association, through its Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty, fire and extended coverage insurance in such form as the Board of Directors deems appropriate in an amount equal to the full insurable value based on current replacement cost of all Improvements on Privately Owned Sites. Insurance premiums on any such blanket insurance coverage, shall be a common expense of the Association to be included in the regular annual Common Assessment. Said blanket insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Association as trustee for the Owners.

Section 4.7. Duty to Maintain Liability Insurance. The Association shall obtain and keep in full force and effect at all times, to the extent reasonably obtainable, broad form comprehensive liability insurance covering public liability for bodily injury and property damage including, if the Association owns or operates motor vehicles, public liability for bodily injury and property damage arising as a result of the ownership and operation of motor vehicles. Public liability insurance for other than motor vehicle liability shall, to the extent reasonably obtainable, have limits of not less than Five Hundred Thousand Dollars (\$500,000) per person and One Million Dollars (\$1,000,000) per occurrence.

Section 4.8. General Provisions Respecting Insurance. Insurance obtained by the Association may contain such deductible provisions as good business practice may dictate. Insurance obtained by the Association shall, to the extent reasonably possible without undue cost, cover each Member without each Member necessarily being specifically named. Insurance obtained by the Association shall, to the extent reasonably possible without undue cost, contain a waiver of rights of subrogation as against the Association, each Member and any Person claiming by, through or under such Member and as against any officer, director, agent or employee of any of the foregoing. Insurance obtained by the Association shall, to the extent reasonably possible, and provided Declarant reimburses the Association for any additional premium

payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant. Insurance policies and insurance coverage shall be reviewed at least annually by the Board of Directors to ascertain whether coverage under the policies is sufficient in the light of the current values of the Common Area property and in the light of the possible or potential liabilities of the Association. Casualty, fire and extended coverage insurance may be provided under blanket policies covering the Common Area and property of Declarant.

Section 4.9. Fidelity Bonds Required. The Association shall obtain and keep in force at all times a fidelity bond or bonds for any Person handling funds of the Association including, but not limited to, employees of the Manager. Each such bond shall name the Association as obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Manager, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds.

Section 4.10 Other Insurance and Bonds. The Association shall obtain such other insurance as may be required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

Section 4.11. Insurance and Bonds Required By Government Mortgage Agencies. The Association shall obtain and keep in full force and effect such insurance and bonds as may be required by Government Mortgage Agencies to the extent that any such Government Mortgage Agency holds, or has agreed to insure or to guarantee, any Mortgage on any Privately Owned Site within the Project Area, except to the extent such insurance or bond is not available or has been waived in writing by such Government Mortgage Agency.

Section 4.12. Duty to Prepare Budgets. The Association shall prepare Budgets for the Association as elsewhere provided in this Declaration.

Section 4.13. Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as elsewhere provided in this Declaration.

Section 4.14. Duty to Provide Audit. To the extent required by Government Mortgage Agencies that hold or have agreed to insure or guarantee any mortgage on any Privately Owned Sites, the Association shall provide for an annual independent audit of the accounts of the Association. Copies of the report of the audit shall be made available to any Member who requests a copy of the same upon payment by such Member of the reasonable cost of copying the same.

Section 4.15. Duties with Respect to Architectural Approvals. The Association shall perform functions to assist the Architectural Committee as elsewhere provided in Article IX of this Declaration.

Section 4.16. Power to Acquire Property and Construct Improvements. The Association may acquire property or interests in property for the common benefit of Owners including Improvements and personal property. The Association may construct Improvements on property and may demolish existing Improvements.

Section 4.17. Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Area and the use of any other property within the Project Area, including Privately Owned Sites. Any such Rules and Regulations shall be reasonable and uniformly applied. Such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Notice of the adoption, amendment or repeal of any Rule or Regulation shall be given in writing to each Member at the address for notices to Members as elsewhere provided in this Declaration or the Bylaws, and copies of the currently effective Rules and Regulations shall be made available to each Member upon request and payment of the reasonable expense of copying the same. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

Section 4.18. Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of this Declaration and of Rules and Regulations and shall take such action as the Board deems necessary or desirable to cause such compliance by each Member and each Person claiming by, through or under such Member ("Related User"). Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations by any one or more of the following means: (a) by entry upon any property within the Project Area after Notice and Hearing (unless a bona fide emergency exists), without liability to the Owner thereof, for the purpose of enforcement or causing compliance with this Declaration or the Rules and Regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of this Declaration or the Rules and Regulations; (d) by exclusion, after Notice and Hearing, of any Member or Related User from use of any recreation facilities constituting part of the Common Area during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Related User; (e) by suspension, after Notice and Hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of such Member of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after Notice and Hearing, a Reimbursement Assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Related User of such Member; and (g) by levying and collecting, after Notice and Hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or such Rules and Regulations by such Member or a Related User of such Member.

Section 4.19. Power to Provide Public Functions. The Association shall have the power to acquire, construct, operate, mana-

ger, maintain, repair and replace public facilities and to provide Public Functions as defined in this Declaration.

Section 4.20. Power to Provide Special Services for Members. The Association shall have the power to provide services to a Member or group of Members. Any service or services to a Member or group of Members shall be provided pursuant to an agreement in writing, which shall provide for payment to the Association by such Member or group of Members of the reasonably estimated costs and expenses of the Association of providing such services, including a fair share of the overhead expenses of the Association and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors and assigns of the Member or group of Members and that the payment for such services shall be secured by a lien on the property of the Member or group of Members.

Section 4.21. Power to Charge for Facilities and Services. The Association shall have the power to establish reasonable and uniformly applied charges for the use of facilities and services. The charges may include reasonable admission or other fees for any special or extraordinary use of property or facilities or services of the Association such as special rooms, instruction, day-care or child-care services or similar uses beyond the ordinary use of the Common Area, facilities and services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by the Board of Directors.

Section 4.22. Power to Provide Exterior Maintenance. The Association, by a two-thirds (2/3rds) vote of the Board of Directors after Notice and Hearing, may enter upon a Privately Owned Site to repair, maintain and restore any such Privately Owned Site and the Improvements thereon in the event the Owner of such Privately Owned Site fails to do so in a manner satisfactory to the Board of Directors. In connection therewith, the Association may levy and collect a Reimbursement Assessment against the Owner and Privately Owned Site.

Section 4.23. Power to Grant Easements. The Association shall have the power to grant access, utility, drainage, water facility and other such easements in, on, over or under the Common Area.

Section 4.24. Power to Convey and Dedicate Property to Government Agencies. The Association by a two-thirds (2/3rds) vote of the Members, shall have the power to grant, convey, dedicate or transfer any portion of the Common Area or facilities to any public or governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate, subject to the provisions elsewhere contained in this Declaration for approval of the same by Government Mortgage Agencies.

Section 4.25. Power to Borrow Money and Mortgage Property. The Association shall have the power to borrow money and to encumber the Common Area as security for such borrowing, subject to provisions elsewhere in this Declaration with respect to required approvals and consents to such action.

Section 4.26. Power to Employ Managers. The Association shall have the power to retain and pay for the services of a Manager or Managers to undertake any of the management or Administrative Functions, Recreation Functions or Public Functions for which the Association has responsibility under this Declaration to the extent deemed advisable by the Association, and may delegate any of its duties, powers or functions to any such Manager. Any contract or agreement with any such Manager shall be terminable by the Association without cause and without payment of a termination fee on no more than ninety (90) days prior written notice. Any

such contract or agreement shall be for a term of no more than one (1) year but may be subject to renewal for succeeding terms of no more than one (1) year each. Notwithstanding any delegation to a Manager of any duties, powers or functions of the Association, the Association and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, powers and functions. Any agreement or contract with a Manager shall contain any other provisions which are required to be contained therein by any Government Mortgage Agency.

Section 4.27. Power to Engage Employees, Agent and Consultants. The Association shall have the power to hire and discharge employees and agents and to retain and pay for legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under this Declaration.

Section 4.28. General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Colorado Nonprofit Corporation Act, including without limitation entering into partnership and other agreements, subject only to such limitations upon such powers as may be set forth in this Declaration or in the Articles of Incorporation or Bylaws. The Association shall also have the power to do any and all lawful things which may be authorized, required or permitted to be done under this Declaration or the Articles of Incorporation and Bylaws and to do and perform any and all acts which may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of the Association under this Declaration and the Articles of Incorporation and Bylaws.

ARTICLE V

ASSOCIATION PROPERTIES

Section 5.1. Members' Rights of Use and Enjoyment Generally. Subject to the provisions of this Declaration, each Owner of a Privately Owned Site shall have a non-exclusive right and easement for use and enjoyment of services provided by the Association and of the Common Area. Such right and easement shall be appurtenant to and pass with title to the Privately Owned Site.

Section 5.2. Right of Association to Regulate Use. The Association, acting through the Board, shall have the power to regulate use of the Common Area by Members to further and enhance the overall rights of use and enjoyment of all Members, including imposing reasonable limits on the times of use and numbers of guests permitted to use the Common Area.

Section 5.3. Right of Association to Allow Public Use. The Association, acting through the Board, shall have the right to allow members of the general public to use the Common Area, subject to reasonable limitations, and provided that use by the general public does not unreasonably interfere with or impair the rights of use and enjoyment of Owners.

Section 5.4. No Partition of the Common Area. No Owner shall have the right to partition or seek partition of the Common Area or any part thereof.

Section 5.5. Liability of Owners for Damage by Member. Each Member shall be liable to the Association for any damage to the Common Area or for any expense or liability incurred by the Association, to the extent not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such Member or any Person using the Common Area through such Member and for any violation by such Member or any such Person of this Declaration or any Rule or Regulation adopted by the Association. The Association shall have the power, as elsewhere provided in

this Declaration to levy and collect a Reimbursement Assessment against a Member, after Notice and Hearing, to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of this Declaration or of such Rules and Regulations or for any increase in insurance premiums directly attributable to any such damage or any such violation.

Section 5.6. Association Duties if Damage, Destruction or Required Improvements. In the event of damage to the Common Area by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction or replacement of any Common Area property, the Association shall have the duty to repair, reconstruct or replace the same. Any insurance proceeds payable by reason of damage or destruction of Common Area property, by fire or other casualty shall be paid to the Association and shall be used, to the extent necessary, to pay the costs of repair, reconstruction or replacement. If funds from insurance proceeds or from reserves for replacement are insufficient to pay all costs of repair, reconstruction or replacement of Improvements damaged or destroyed, or if the Association is required to make repairs, replacements or improvements by governmental authorities, the Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement or improvement, levy a Special Assessment on all Owners, or if a Member or group of Members is liable for such damage, levy a Reimbursement Assessment against the Member or group of Members responsible therefor, to provide the additional funds necessary as elsewhere provided in this Declaration. Repair, reconstruction or replacement of Common Area property shall be done under such contracting and bidding procedures as the Association shall determine are appropriate. If insurance proceeds available to the Association on account of damage or destruction exceed the cost of repair, reconstruction and replacement, the Association may use the same for future maintenance, repair, Improvement and operation of other Common Area property.

Section 5.7. Association Powers in the Event of Condemnation. If any of the Common Area or interests therein are taken under exercise of the power of eminent domain or by private purchase in lieu thereof, the award in condemnation or the price payable shall be paid to the Association, except to the extent payable to any other Person with an interest in such property including any Mortgagee of such property. The Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners therein. Any award or funds received by the Association shall be held by the Association in the appropriate Maintenance Fund as determined by the Board, as a reserve for future maintenance, repair, reconstruction or replacement of the Common Area or may be used for Improvements or additions to, or operation of the Common Area. No Owner shall be entitled to participate as a party or otherwise in any condemnation proceedings.

Section 5.8. Title to the Common Area on Dissolution of Association. In the event of dissolution of the Association, the Common Area shall, to the extent reasonably possible, be conveyed or transferred to an appropriate public or governmental agency or agencies to be used for the common benefit of Owners for similar purposes for which the Common Area was held by the Association, or to a nonprofit corporation, association, trust or other organization. To the extent the foregoing is not possible, the Common Area shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Members in proportion to the number of Privately Owned Sites of each Member, as determined in Section 7.9 of this Declaration.

Section 5.9 Parking Rights. The Owner of each Privately Owned Site shall be entitled to the use of two (2) parking spaces situated on the Common Area. The Association shall have the authority to assign said parking spaces as well as regulate the use of said parking spaces and parking spaces designated for visitors and/or guests. The Association shall use its best efforts to locate parking spaces for use by the Owners of Privately Owned Sites as near and convenient to said Privately Owned Sites as is reasonably possible. Prior to any liquidation or dissolution of the Association, or transfer or dedication of the Common Area, the Association shall convey to each Owner the parking spaces then being assigned to such Owner, together with a right-of-way and easement across the Common Area from each Privately Owned Site and corresponding parking spaces to a public way.

ARTICLE VI

DECLARANT'S RIGHTS AND RESERVATIONS

Section 6.1. Period of Declarant's Rights and Reservations. Declarant shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association and the Common Area from the date hereof, until the time that the last Privately Owned Site within the Project Area has been sold and conveyed by Declarant. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association whether or not specifically stated therein and in each deed or other instrument by stated therein and in each deed or other instrument by which any property within the Project Area is conveyed by Declarant. The rights, reservations and easements hereinafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Declarant's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

Section 6.2. Right to Construct Additional Improvements on the Common Area. Declarant shall have and hereby reserves the right, but shall not be obligated to, construct additional Improvements on the Common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners, so long as such construction does not directly result in an increase in the then current and applicable Common Assessments by more than twenty percent (20%). Declarant shall convey or transfer such Improvements to the Association and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in this Declaration. At the request of the Association, Declarant shall provide such bond, letter of credit or other assurance as the Association and the Government Mortgage Agencies may reasonably require to assure that the cost thereof will be paid by Declarant and the Improvements completed free of liens and encumbrances relating to the construction of the Improvements.

Section 6.3. Declarant's Right to Use the Common Area in Promotion and Marketing of the Project Area. Declarant shall have and hereby reserves the right to reasonable use of the Common Area and of the services offered by the Association in connection with the promotion and marketing of property within the boundaries of the Project Area. Without limiting the generality of the foregoing, Declarant may erect and maintain on any part of the Common Area such signs, temporary buildings and other structures as Declarant may reasonably deem necessary or proper in connection with the promotion, development and marketing of real property within the Project Area; may use vehicles and equipment on the Common Area for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Project Area, who are

not Owners or Members of the Association, to use the Common Area at reasonable times and in reasonable numbers; and may refer to the Association and to the Common Area and services offered by the Association in connection with the development, promotion and marketing of property within the boundaries of the Project Area.

Section 6.4. Declarant's Right to Complete Development of Project Area. No provision of this Declaration shall be construed to prevent or limit Declarant's rights to complete development of property within the boundaries of the Project Area, to construct or alter Improvements on any property owned by Declarant within the Project Area; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned by the Association within the Project Area; or to post signs incidental to development, construction, promotion, marketing, sales or leasing of property within the boundaries of the Project Area. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approvals (a) to excavate, cut, fill or grade any property owned by Declarant or to construct, alter, demolish or replace any Improvements on any property owned by Declarant, or (b) to use any structure on any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within the boundaries of the Project Area, or (c) to require Declarant to see or obtain the approval of the Architectural Committee or of the Association for any such activity or Improvement to Property by Declarant on any property owned by Declarant. Nothing in this Declaration shall limit or impair the reserved rights of Declarant as elsewhere provided in this Declaration.

Section 6.5. Declarant's Rights to Grant and Create Easements. Declarant shall have and hereby reserves the right to grant or create temporary or permanent easements, for access, utilities, drainage, water and other purposes incident to development and sale of the Project Area, and the property which abuts the Project Area which is owned by the Declarant, located in, on, under, over and across (a) Privately Owned Sites owned by Declarant and (b) the Common Area, provided that such easements do not create a permanent, unreasonable interference with the rights of the Owners.

Section 6.6. Limitations Imposed by Government Mortgage Agencies. The exercise of the rights of Declarant reserved herein shall be subject to such reasonable requirements and limitations as may be imposed by Government Mortgage Agencies or other governmental authorities having jurisdiction, including any requirements for consent or approval by such Government Mortgage Agencies or governmental authorities.

ARTICLE VII

ASSESSMENTS, BUDGETS AND FUNDS

Section 7.1. Maintenance Funds to be Established. The Association shall establish and maintain at least the following separate Maintenance Funds: (a) an Administrative Functions Operating Fund; (b) an Administrative Functions Reserve Fund; (c) a Recreation Functions Operating Fund when, if ever, the Association owns and operates recreational facilities that are available for use by Owners; (d) a Recreation Functions Reserve Fund for each such recreation facility, if any; (e) a Public Functions Operating Fund when, if ever, the Association assumes any Public Function; and (f) a Public Functions Reserve Fund when, if ever, the Association assumes any Public Functions. Each of the Maintenance Funds shall be established as one or more trust savings or trust checking accounts at any financial institution in which deposits are insured by an agency of the federal government.

Section 7.2. Establishment of Other Funds. The Association may establish other funds as and when needed. Nothing herein shall limit, preclude or impair the authority of the Association to establish other funds for specified purposes authorized by this Declaration. If the Association establishes any additional funds, the Board shall designate an appropriate title for the fund to distinguish it from other funds maintained by the Association.

Section 7.3. Deposits of Common Assessments to Maintenance Funds. Monies received by the Association from Common Assessments shall be deposited in the Maintenance Funds in accordance with the following provisions: (a) there shall be deposited to the Administrative Functions Operating Fund that portion of Administrative Functions Common Assessments ("AFCAs") which, according to the Association Budget for the year, was budgeted for operating costs and expenses of the Administrative Functions; (b) there shall be deposited to the Administrative Functions Reserve Fund, that portion of AFCAs which were budgeted for the Reserve Fund for Administrative Functions, (c) there shall be deposited to each Recreation Functions Operating Fund, if any, that portion of Recreation Function Common Assessments ("RFCAs"), if any, budgeted for operating costs and expenses of that recreational facility; (d) there shall be deposited to each Recreation Function Reserve Fund, if any, that portion of RFCAs, if any, budgeted for the Reserve Fund for that recreational facility; (e) there shall be deposited to the Public Functions Operating Fund, if any, that portion of Public Functions Common Assessments ("PFCAs"), if any, budgeted for operating costs and expenses of the Public Function; and (f) there shall be deposited to the Public Functions Reserve Fund, if any, that portion of the PFCAs, if any, budgeted for the Reserve Fund for Public Functions.

Section 7.4. Other Deposits to Maintenance Funds. The Association shall deposit monies received by the Association from sources other than Common Assessments in the Maintenance Fund determined by the Board of Directors to be most appropriate. For example, Reimbursement Assessments shall be deposited to the Maintenance Fund from which the costs and expenses were or will be paid which form the basis for the Reimbursement Assessment; Special Assessments for capital repairs, maintenance, replacement and Improvements shall be deposited to the Reserve Fund from which such capital costs have been or will be paid; and insurance proceeds for damage to, or condemnation awards for the taking of, any recreational facility shall be deposited to the Reserve Fund for that facility. Interest and late charges received on account of delinquent assessments may be allocated among the Maintenance Funds in the same proportions as the delinquent assessments were allocated or, at the discretion of the Board of Directors, may be allocated to any one or more of the Maintenance Funds or other funds.

Section 7.5. Disbursements from Maintenance Funds. All amounts deposited in the Maintenance Funds shall be used solely for the common benefit of all the Members for purposes authorized by this Declaration. Disbursements from particular Maintenance Funds shall be limited to specified purposes as follows: (a) disbursements from the Administrative Functions Operating Fund may be made for such purposes as are necessary or proper under this Declaration, except those purposes for which disbursements are to be made from other Maintenance Funds as follows; (b) disbursements from the Administrative Functions Reserve Fund shall be made solely for purposes of funding those Administrative Functions which cannot be expected to recur on an annual or more frequent basis; (c) disbursements from a Recreation Function Operating Fund, if any, shall be made solely for the purpose of operating the particular recreational facility, if any, for which the Fund was created; (d) disbursements from a Recreation Functions Reserve Funds, if any, shall be made solely for the purposes of repairs, replacements, painting and other restorative work to the particular recreational facility, if any, for which the Fund was created; (e) disbursements from the Public Functions Operating Fund, if any, shall be made solely for the purpose of providing Public Functions for Members, other than disbursements for which disbursements from the Public Functions Reserve Fund are to be used; and (f) disbursements from the Public Functions Reserve Fund, if

any, shall be made solely for the purpose of repairs, replacement, painting and other restorative work to those Improvements on the Common Area which are used by the Association in providing Public Functions to Members.

Section 7.6. No Commingling of Maintenance Funds. The Association shall not commingle any amounts deposited in any one Maintenance Fund or other fund with amounts deposited in any other Maintenance Fund or other fund.

Section 7.7. Authority for Disbursements. The Board shall have the authority to make or to authorize an agent to make disbursements of any monies in the Maintenance Funds.

Section 7.8. Common Assessments. For each calendar year, the Association shall levy Common Assessments against Owners of the Privately Owned Sites. The Common Assessments shall include: (a) the AFCAs; (b) the RFCAs, if any; and (c) the PFCAs when, if ever, the Association assumes any Public Functions. Each Owner shall be obligated to pay the Common Assessments levied against, and allocated to, such Owner and the Privately Owned Site of such Owner as hereinafter more particularly set forth.

Section 7.9. Apportionment of Common Assessments. For purposes of the Common Assessments, each Privately Owned Site shall constitute one (1) Unit regardless of the size, value, location or use of such Privately Owned Site. The amount of the Common Assessments for any year, payable by an Owner for the Privately Owned Site of such Owner, shall be computed by multiplying the total amount to be raised by Common Assessments for that year, as shown in the Association budget for that year, by a percentage (rounded to the nearest one-tenth of one percent (0.1%), derived from a fraction, the numerator of which is one (1) and the denominator of which is the total number of Privately Owned Sites (i.e., Units) in the Project Area as of the first day of that calendar year.

Section 7.10. Funding of Reserve Funds. The Board, in budgeting and levying assessments, shall endeavor, whenever possible, to fund the Administrative Functions Reserve Fund, the Recreation Function Reserve Fund, if any, and the Public Functions Reserve Fund, if any, by regularly scheduled payments, included as part of the Common Assessments, rather than by large Special Assessments. Unless the Board finds and determines that it is not necessary, as to a particular Reserve Fund in a given year, the AFCA, the RFCA, if any, and the PFCA, if any, shall include a component for funding of these Reserve Funds.

Section 7.11. Supplemental Common Assessments. Subject to the provisions of Section 7.15 hereof, if the estimated sums prove inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, from time to time, levy a supplemental Common Assessment for any of the Maintenance Funds. Such Supplemental Common Assessment shall be assessed against the Owner of each Privately Owned Site, in the same manner Common Assessments are originally assessed each year by the Board. Written notice of any change in the amount of any annual Common Assessment shall be sent to every Owner subject thereto, not less than thirty (30) days prior to the effective date of such change.

Section 7.12. Annual Budgets. The Board of Directors shall cause to be prepared, at least sixty (60) days prior to the commencement of each calendar year, a Budget for such calendar year, including a reasonable provision for contingencies and deposits into the Administration Functions, Recreation Functions and Public Functions Reserve Funds. The Budget shall show, in reasonable detail, the categories of expenses and the amount of expenses in each Maintenance Fund, and shall reflect any expected income of the Association for the coming calendar year and any expected surplus from the prior year and any existing surplus in any Reserve Fund. The Budget may include an amount for deposits to create, replenish or add to the proper Reserve Fund for major capital repairs, replacements and improvements for the Common Area. The Board shall cause a copy of the Budget to be distributed to each Member promptly after the Budget is prepared and approved by the

Board and shall cause a copy of the Budget to be maintained at the principal office of the Association. In the event the Association does not have an address for any Member, such maintenance at the Association's office shall be deemed delivery to any such Member.

Section 7.13. Assessment for Unsold Sites. Declarant, for so long as Declarant retains title to a Privately Owned Site, whether improved or unimproved, and provided that no portion of the Site has not been used or occupied for residential purposes, shall be exempt from the payment of a portion of any Assessment against such Privately Owned Site, provided the financial stability of the Association will not be jeopardized. Such portion shall not exceed seventy-five percent (75%) of such Assessment.

Section 7.14. Maximum Common Assessments. The Association shall not levy, for any year, a Common Assessment in excess of the Maximum Common Assessment hereinafter specified. The Maximum Common Area Assessment shall be at the rate of \$ 300.00 per Unit per year until January 1, 1982, increased for 1982 and any year thereafter by the percentage increase in the "Homeownership" items under the heading "Shelter" under the general category "Housing" of the "Consumer Price Index for the Denver Area, Urban Wage Earners-Clerical Workers (1967-100), issued by the United States Bureau of Labor Statistics in its monthly report entitled "The Consumer Price Index U.S. City Average and Selected Areas" during the twelve (12) months ending in September of the year preceeding the year in which the Assessment is to be paid.

If the Board of Directors, by majority vote, determines that the important and essential functions of the Association may be properly funded by a Common Assessment less than the Maximum Common Assessment, it may levy such lesser Common Assessment. Subject to the provisions of Section 7.12 of this Declaration, the levy of Common Assessment less than the Maximum Common Assessment in any year shall not affect the right of the Board to levy a Common Assessment in the full amount of the Maximum Common Assessment in any subsequent year.

Section 7.15. Supplemental Common Assessments. Subject to the provisions of Section 7.12 of this Declaration, if the Board levies a Common Assessment in an amount less than the Maximum Common Assessment for any calendar year, the Board by majority vote may thereafter levy one or more supplemental Common Assessments during such calendar year, if it determines that the important and essential functions of the Association cannot be funded by such lesser Common Assessment. In no event shall the sum of the initial and supplemental Common Assessment for a calendar year exceed the Maximum Common Assessment permitted for that year.

Section 7.16. Approval of Increase in Maximum Common Assessment. If the Board of Directors, by majority vote, determines that the important and essential functions of the Association will be not properly funded in any one (1) year or in any one (1) year and subsequent years by the amount of the Maximum Common Assessment, it may call a meeting of the Members requesting approval of a specified increase in the Maximum Common Assessment, for either one (1) year or for that one (1) year and one or more of all subsequent years. An increase in the Maximum Common Assessment for any one year or for any one year and all subsequent years shall require the approval of two-thirds (2/3rds) of each class of Members voting in person or by proxy at such meeting.

Section 7.17. Payment of Assessment. Common Assessments shall be due and payable in advance to the Association by the assessed Member during the calendar year in equal monthly installments, on or before the first day of each calendar month, or in such other manner and on such other dates as the Board of Directors may designate in its sole and absolute discretion. Notice of the amount of the Common Assessments shall be given to each member prior to January 1 of each year.

Section 7.18. Failure to Fix Assessment. The failure by the Board of Directors to levy an Assessment for any year shall not be deemed a waiver or modification with respect to any of the provisions of this Declaration or a release of the liability of any

Member to pay Assessments, or any installment thereof, for that or any subsequent year. In the event of such failure, the amount of the Common Assessment for that year shall be the sum of the amount of the Common Assessment for the previous year, plus the amount of the Maximum Common Assessment computed in accordance with Section 7.14 hereof.

No abatement of the Common Assessment or any other Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or Improvements to the Common Area or from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

Section 7.19. Special Assessment for Capital Expenditures. In addition to Common Assessments, the Board of Directors Assessments for the purpose of raising funds, not otherwise provided under the Budget from Common Assessments, to construct or reconstruct, repair or replace capital Improvements upon the Common Area, including necessary personal property related thereto; to add to the Common Area; to provide for necessary facilities and equipment to offer the services authorized in this Declaration; or to repay any duties and functions authorized in this Declaration. The Board of Directors shall not, in any one (1) year, levy Special Assessments without the assent of at least two-thirds (2/3rds) of the votes of each class of Members voting in person or by proxy. The Association shall notify Members in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable and the Members shall pay any such Special Assessment in the manner so specified.

Section 7.20. Reimbursement Assessments. The Board of Directors may, subject to the provisions hereof, levy an Assessment against any Member if the willful or negligent failure of the Member or a Person claiming through the Member to comply with this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations shall have resulted, or will result, in the expenditure of funds by the Association to cause such compliance. Such Assessment shall be known as a Reimbursement Assessment and shall be levied only after Notice and Hearing. The amount of the Reimbursement Assessment shall be due and payable to the Association thirty (30) days after notice to the Member of the decision of the Board of Directors that the Assessment is owing.

Section 7.21. Late Charges and Interest. If any Common Assessment, Special Assessment or Reimbursement Assessment or any installment thereof is not paid within thirty (30) days after it is due, the Member obligated to pay the Assessment may be required to pay a reasonable late charge to be determined by the Board. Any Assessment or installment of an Assessment which is not paid within thirty (30) days after it is due shall bear interest from the due date at the rate of ten percent (10%) per annum simple interest.

Section 7.22. Attribution of Payments. If any installment of a Common Assessment payment is less than the amount assessed and the payment does not specify the Maintenance Fund or Funds into which it should be deposited, the receipt by the Association from that Owner shall be credited in the following order of priority: (i) to the Public Functions Reserve Fund until that portion of the PFCA has been satisfied, (ii) to the Recreation Functions Reserve Fund until that portion of the RFCA has been satisfied, (iii) to the Administrative Functions Reserve Fund until that portion of the AFCA has been satisfied, (iv) to the Public Functions Operating Fund until that portion of the PFCA has been satisfied, (v) to the Recreation Functions Operating Fund until that portion of the applicable RFCA has been satisfied and (vi) to the Administrative Functions Operating Fund. In each of the foregoing cases, receipts shall be credited first to interest, attorneys' fees and other costs of collection, and next to principal reduction, satisfying the oldest obligations first followed by more current obligations, in accordance with the foregoing order of priority.

Section 7.23. Notice of Default and Acceleration of Assessments. If any Common Assessment, Special Assessment or any installment thereof is not paid within thirty (30) days after its due date, the Board of Directors may mail a notice of default to the Owner and to each first Mortgagee of the Privately Owned Site who has requested a copy of the notice. The notice shall specify (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is mailed to the Member, by which such default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the Assessment or the installments of the Assessment for the then current calendar year and the filing and foreclosure of the lien for the Assessment against the Privately Owned Site of the Member. The notice shall further inform the Member of any right to cure the default after acceleration and of any right to bring a court action to assert the nonexistence of a default or any other defense of the Member. If the delinquent Assessment or installment and any late charges or interest thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the Assessment to be immediately due and payable without further demand and may enforce the collection of the full Assessment and all charges and interest thereon in any manner authorized by law in this Declaration, subject to the protection afforded to Mortgagees under this Declaration.

Section 7.24. Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner or Member against whom the same is assessed. In the event of a default in payment of any Assessment or installment thereof, whether Common, Special or Reimbursement, the Board may, in addition to any other remedies provided under this Declaration or by law, enforce such obligation on behalf of the Association by suit or by filing and foreclosure of a lien as hereinafter provided.

Section 7.25. Lawsuit to Enforce Assessments. The Board may bring a suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include any late charge, interest, and other costs of enforcement including reasonable attorneys' fees in the amount as the court may adjudge, against the defaulting Owner or Member.

Section 7.26. Lien to Enforce Assessments. The Board may also elect to file a claim of lien against the Privately Owned Site of the delinquent Owner or Member by recording a notice ("Notice of Lien") setting forth (a) the amount of claimed delinquency, (b) the interest and costs of collection which have accrued thereon, (c) the legal description and street address of the Privately Owned Site against which the lien is claimed, and (iv) the name of the Record Owner thereof. Such Notice of Lien shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. The lien created by the Notice of Lien shall be prior to any declaration of homestead rights Recorded after the time that the Privately Owned Site becomes part of the Project Area. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Association shall execute and Record a notice releasing the lien upon payment by the Owner of a reasonable fee as fixed by the Board of Directors to cover the cost of preparing and Recording the release of the lien. Unless paid or otherwise satisfied, the lien may be foreclosed in the manner for foreclosure of Mortgages in the State of Colorado.

Section 7.27. Estoppel Certificates. Upon the payment of such reasonable fee as may be determined from time to time by the Board of Directors, and upon the written request of any Member and any Person with, or intending to acquire, any right, title or interest in the Privately Owned Site of such Member, the Associ-

ation shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a Privately Owned Site and the Owner thereof and setting forth the amount of any Assessment levied against such Site which is not yet due and payable. Such statement shall, with respect to the Person to whom it is issued, be conclusive against the Association and all Persons for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have been levied.

Section 7.28. No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no off-sets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration.

ARTICLE VIII

GENERAL RESTRICTIONS APPLICABLE TO PROPERTY

All real property within the Project Area shall be held, used and enjoyed subject to the following limitations and restrictions, and subject to the exemptions of Declarant set forth in this Declaration.

Section 8.1. Maintenance of Property. No property within the Project Area shall be permitted to fall into disrepair, and all property within the Project Area, including any Improvements and landscaping thereon, shall be kept and maintained in a clean, safe, attractive and sightly condition and in good repair. Maintenance, repair and upkeep of each Privately Owned Site shall be the responsibility of the Owner of the Privately Owned Site. Maintenance, repair and upkeep of the Common Area shall be the responsibility of the Association. Violation of this provision by an Owner shall permit the Association, after Notice and Hearing, to enter on the Privately Owned Site of the Owner and cure the violation or cause compliance with this provision and to levy and collect a Reimbursement Assessment for the costs and expenses of the Association in so doing; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy without the consent of the Owner thereof unless a clear emergency exists.

Section 8.2. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any property within the Project Area nor shall anything be done or placed thereon which is or may become a nuisance or cause an unreasonable embarrassment, disturbance or annoyance to others.

Section 8.3. Annoying Sounds or Odors. No sound or odor shall be emitted from any property within the Project Area which is noxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, other than security devices used exclusively for security purposes, shall be located or used on any property except with the prior written approval of the Architectural Committee, if any, or the Board of Directors.

Section 8.4. No Hazardous Activities. No activity shall be conducted on and no Improvement shall be constructed on any property within the Project Area which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a self and well-designed interior or exterior fireplace.

Section 8.5. No Unsightliness. No unsightliness shall be permitted on any Privately Owned Site which is visible from any other Privately Owned Site or from the Common Area. Without limiting the generality of the foregoing, all unsightly conditions, structures, facilities, equipment, objects and conditions

shall be enclosed within a structure including snow removal equipment and garden or maintenance equipment except when in actual use.

Section 8.6. Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, shrub or tree clippings, plant waste, compost, metal, bulk materials, scrap, refuse or debris of any kind shall be kept, stored or allowed to accumulate on any Privately Owned Site except within an enclosed structure or appropriately screened from view, except that any such container may be placed in a designated area for garbage or trash pickup no earlier than 6 p.m. on the day preceding trash pickup of such garbage and trash and shall be returned to an enclosed structure or an area appropriately screened from view no later than 12 noon on the day following the date of pickup of such garbage and trash.

Section 8.7. No Temporary Structures. No tent, shack, temporary structure or temporary building shall be placed upon any property within the Project Area except with the prior written consent of the Architectural Committee, if any, or the Board of Directors obtained in each instance.

Section 8.8. Restriction on Pipes and Utility Lines. Pipes for water, gas, sewer, drainage or other purposes and wires, poles, and other facilities for the transmission or reception of electricity, and utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure.

Section 8.9. Restrictions on Signs and Advertising Devices. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within the Project Area so as to be evident to public view except signs as may be approved in writing by the Architectural Committee, if any, or the Board of Directors. A sign advertising a Privately Owned Site for sale or for lease may be placed on such Privately Owned Site; provided, however, that the dimensions, color, style and location of such sign shall be determined from time to time by the Architectural Committee, if any, or the Board of Directors.

Section 8.10. Restrictions on Mining or Drilling. No property within the Project Area shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth except drilling, exploring for or removing underground water by Declarant or by Persons designated by Declarant for the purpose of providing water service to property within the boundaries of the Project Area and except mining, drilling or exploring for oil, gas or other hydrocarbons, by owners of mineral interests reserved prior to the Recordation of this Declaration.

Section 8.11. Maintenance of Drainage. There shall be no interference with the established drainage pattern over any property within the Project Area except as approved in writing by the Architectural Committee, if any, or the Board of Directors. Approval shall not be granted unless provision is made for adequate alternate drainage. The "established drainage pattern" shall mean the drainage pattern which exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on any plans approved by the Architectural Committee, if any, or the Board of Directors. The established drainage pattern may include the drainage pattern from the Common Area over any Privately Owned Site, from any Privately Owned Site over the Common Area, or from any Privately Owned Site over another Privately Owned Site.

Section 8.12. Compliance with Insurance Requirements. Except as may be approved in writing by the Board of Directors, nothing shall be done or kept on property within the Project Area which may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

Section 8.13. Compliance with Laws. Nothing shall be done or kept on any property within the Project Area in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction.

Section 8.14. Restrictions on Sewage Disposal Systems. No septic or other sewage disposal system shall be installed within the Project Area without the prior written consent of the Architectural Committee, except a central sewage disposal system installed and maintained by a water and sanitation district. Any sewage disposal system installed for property within the Project Area shall be subject to applicable laws, rules and regulations of any governmental authority having jurisdiction.

Section 8.15. Restrictions on Water Systems. No individual water supply or water softener system shall be installed or maintained for any property within the Project Area unless such system is approved in writing by the Architectural Committee if any, or the Board of Directors, and is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water and sanitation district or other governmental authority having jurisdiction.

Section 8.16. Restoration in the Event of Damage or Destruction. In the event of damage or destruction of any Improvement on any Privately Owned Site, the Owner thereof shall cause the damage or destroyed Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Architectural Committee, if any, or the Board of Directors, or the Owner shall cause the damage or destroyed Improvement to be demolished and the Privately Owned Site to be suitably landscaped subject to the approval of the Architectural Committee, if any, or the Board of Directors so as to present a pleasing and attractive appearance.

Section 8.17. Restriction on Parking Motor Vehicles. No motor vehicle owned or leased by Owners or their guests or invitees shall be parked or maintained on any street within the Project Area, except for those areas specifically designated for parking.

Section 8.18. Restriction on Trailers and Recreational Vehicles. No mobile home, trailer, automobile, truck, camper, or other vehicle may be used for temporary or permanent sleeping or living purposes while within the Project Area.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 9.1. Duties. The Board of Directors may appoint three (3) persons who need not be members of the Association to serve as the Architectural Committee, to serve at the pleasure of the Board. It shall be the duty of any such Architectural Committee and it shall have the power by the exercise of its best judgment to see that all structures, improvements, construction, decorating and landscaping within the Project Area conform to and harmonize with the existing surroundings and structures. If the Board of Directors for any reason shall fail to appoint an Architectural Committee, then it shall be the duty of the Board of Dir-

Section 9.2. Review. No building, fence, wall, clothesline, aerial, antenna, basketball hoop, backboard, exterior lighting, exterior painting, or other structures or improvements of any kind, shall be commenced, erected or maintained within the Project Area, nor shall any exterior addition to, change, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, material, color, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee. In the event the Architectural Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 9.3. Liability. The Architectural Committee shall not be liable in damages to any persons submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, with regard to such requests.

ARTICLE X

Party Walls

Section 10.1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Project Area and placed on the dividing line between the Privately Owned Sites shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules or law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 10.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such case.

Section 10.3. Destruction by Fire of Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 10.4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 10.5 Rights to Contribute Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 10.6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators, and shall be binding upon the parties, and their successors and assigns. Each party shall pay the costs and expenses of his arbitrator and one-half (1/2) of the costs and expenses of the third arbitrator.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Term of Declaration. Unless amended as herein provided, each provision contained in this Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints on alienation shall continue and remain in full force and effect for the period of twenty-one (21) years following the death of the survivor of Donald G. Horner, John A. Peat, Ronald F. Tibbetts and the now living children of said Persons, or until this Declaration is terminated as hereinafter provided, whichever first occurs. Unless amended as herein provided, all other provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration shall be effective until December 31, 2041, and, thereafter, shall be automatically extended for successive periods of ten (10) years each unless terminated by the vote, by written ballot, of Members holding at least seventy-five percent (75%) of the voting power of Members of the Association at a duly constituted meeting. The termination of this Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association stating that this Declaration has been terminated by the vote of Members as provided herein.

Section 11.2. Amendment of Declaration by Declarant. Until the first Privately Owned Site subject to this Declaration has been conveyed by Declarant by deed Recorded in the office of the County Clerk and Recorder of Moffat County, Colorado, any of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration may be amended or terminated by Declarant by the Recordation of a written instrument, executed by Declarant, setting forth such amendment or termination.

Section 11.3. Amendment of Declaration by Members. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by Members of the Association holding at least seventy-five percent (75%) of the voting power of the Association present in person or by proxy at duly constituted meeting.

Section 11.4. Amendment Required by Government Mortgage Agencies. Notwithstanding the provisions of Section 11.3 hereof, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration which any Government Mortgage Agency requires to be amended or repealed may be amended or repealed by vote of Members holding at least fifty-one percent (51%) of the voting power of the Association at a duly constituted meeting of the Association. Any such amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Moffat County, Colorado, of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved by the vote of the Members.

Section 11.5. Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of Article VI of this Declaration shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent to such amendment or repeal may be evidenced by the execution by Declarant of any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall terminate at such time as the last Privately Owned Site within the Project Area has been sold and conveyed by Declarant.

Section 11.6. Amendment of Articles and Bylaws. The Articles of Incorporation and Bylaws may be amended in accordance with the provision set forth in such instruments, or, in the absence of such provisions, in accordance with the applicable provisions of the Colorado Nonprofit Corporation Act.

Section 11.7. Special Rights of First Mortgagees. Any Mortgagees of a mortgage encumbering any Privately Owned Site in the Project Area, upon filing a written request therefor with the Association, shall be entitled to (a) written notice from the Association of any default by the Mortgagor of such Privately Owned Site in the performance of the Mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association including any annual audited financial statement within ninety (90) days following the end of any fiscal year of the Association; (d) to receive written notice of all meetings of Members; (e) designate a representative to attend any meeting of Members; (f) receive written notice of abandonment or termination of the Association or of the plan contemplated under this Declaration; (g) receive thirty (30) days written notice prior to the effective date of any proposed material amendment to this Declaration, the Articles of Incorporation, or the Bylaws; (h) receive thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of the Association or the Common Area following a decision of the Association to assume self-management of the Common Area; and (i) immediate written notice as soon as the Association receives written notice of or otherwise learns of any damage to the Common Area if the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Area.

Section 11.8. Priority of First Mortgage Over Assessments. Each First Mortgagee of a Mortgage encumbering a Privately Owned Site who obtains title to such Privately Owned Site pursuant to the remedies provided in the Mortgage or by judicial foreclosure shall take title to the Privately Owned Site free and clear of any claims for unpaid Assessments or charges against such Privately Owned Site which accrued prior to the time such holder acquires title to such Privately Owned Site.

Section 11.9. First Mortgagee Right to Pay Taxes and Insurance Premiums. Any such First Mortgagee or any such First Mortgagees, jointly or singly, shall be entitled to pay any taxes or other charges which are in default and which may or have become a charge against any of the Common Area and may pay any overdue premiums on hazard insurance policies for any Common Area property, and the First Mortgagees making such payments shall be entitled to immediate reimbursement therefor from the Association.

Section 11.10. Agreements with Government Mortgage Agencies. The Association may enter into such contracts or agreements on behalf of the Association as may be required in order to satisfy the requirements or guidelines of any Government Mortgage Agency so as to allow for the purchase, guarantee or insurance, as the case may be, by a Government Mortgage Agency of First Mortgages encumbering Privately Owned Sites. Each Owner hereby agrees that it will benefit the Association and the Members thereof, as a class of potential mortgage borrowers and potential sellers of Privately Owned Sites, if Government Mortgage Agencies approve the Project Area or parts thereof as a qualifying subdivision under their respective policies, rules and regulations as adopted from time to time.

Section 11.11. Association Right to Mortgage Information. Each owner hereby authorizes any First Mortgagee holding a Mortgage on such Owner's Privately Owned Site to furnish information to the Association concerning the status of such First Mortgage and the loan which it secures.

Section 11.12. Special Approvals by First Mortgagees. Unless at least seventy-five (75%) of the First Mortgagees (based upon one vote for each Mortgage owned) of Privately Owned Sites in the Project Area have given their written approval, neither the Association nor any Member shall (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area or the Improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utilities easements, drainage easements and water facilities easements or easements for other public purposes consistent with the intended use of such property by the Association shall not be deemed within the meaning of this provision; (b) change the method of determining the obligations, Assessments or other charges which may be levied against Members or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards; (c) by act or omission change, waive or abandon any scheme of regulation, or enforcement thereof, pertaining to architectural approval of Improvement of property including the architectural design of the exterior appearance of dwelling units, the exterior maintenance of dwelling units or the upkeep of lawns and plantings on the Common Area; (d) fail to maintain the casualty, fire and extended coverage insurance on insurable Common Area property as elsewhere provided in this Declaration; (e) use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of the Improvements which were damaged or destroyed; and (f) amend any material provision of this Declaration, the Articles of Incorporation or the Bylaws.

Section 11.13. FHA/VA Approval. As long as Declarant shall have the right to appoint a majority of the Members of the Architectural Committee as elsewhere provided in this Declaration, and provided further that the FHA or the VA is insuring or guaranteeing or has agreed to insure or guarantee loans in any portion of the Area with respect to initial sales of Privately Owned Sites by Declarant, the following action shall require the prior approval of the FHA or the VA, in accordance with the procedure set forth herein; (a) dedication of any of the Common Area; (b) sales or transfers of additional property easements, rights of way or licenses by Declarant in the Common Area other than as provided herein; (c) granting of a Mortgage covering any portion of the Common Area; (d) establishment of additional reservations by Declarant in the Project Area; (e) amendment of this Declaration; and (f) any merger or consolidation of the Association with any other entity.

Section 11.14. Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail, telephone or telegraph. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the Privately Owned Site of such Person if no address has been given to the Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by notice in writing to the Association.

Section 11.15. Persons Entitled to Enforce Declaration. The Association, acting by authority of the Board, and any Member of the Association shall have the right to enforce any and all of the provisions, covenants, conditions, restrictions and equitable servitudes contained in this Declaration against any property within the Project Area and the Owner thereof. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Declaration.

Section 11.16. Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

Section 11.17. Enforcement by Self Help. Declarant or the Association, or any authorized agent of either of them, may enforce, by self help, any of the provisions, covenants, conditions, restrictions or equitable servitudes contained in this Declaration, provided such self help is preceded by Notice and Hearing.

Section 11.18. Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any property within the Project Area is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 11.19. Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

Section 11.20. Costs and Attorneys' Fees. In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith including reasonable attorneys' fees.

Section 11.21. Limitation on Liability. The Association, the Board of Directors, the Architectural Committee, Declarant, and any member, agent or employee of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

Section 11.22. No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Project Area, or any Improvement thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing.

Section 11.23. Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 11.24. Governing Law. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 11.25. Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial enforceability of any provision of portion thereof shall not affect the validity or enforceability of any other provision.

Section 11.26. Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

Section 11.27. Captions for Convenience. The titles, headings and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

Section 11.28. Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to merger. The surviving or consolidated association may administer and enforce the covenants, conditions and restrictions established by this Declaration governing the Project Area, together with the covenants and restrictions established upon any other property, as one plan.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

COUNTRY CLUB HEIGHTS JOINT VENTURE,
a Colorado general partnership

By: COUNTRY CLUB HEIGHTS INVESTORS,
Managing Venturer

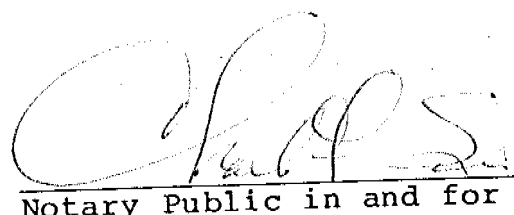
By: URBAN MANAGEMENT (WASHINGTON) LTD.,
One of its General Partners

By: J. A. T. SECRETARY/TREASURER
Its Authorized/Representative

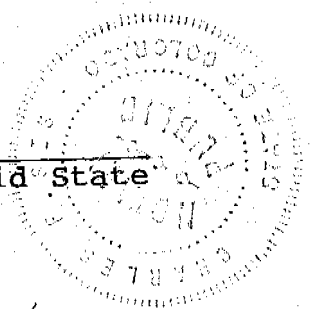
STATE OF COLORADO)
) ss.
)
COUNTY OF ~~DENVER~~ ^{WHEELER})

The foregoing instrument was acknowledged before me this 10th day of August, 1981, by JOHN H. KEAR, as SECRETARY-TREASURER of Urban Management (Washington) Ltd., one of the general partners of Country Club Heights Investors, the Managing Venturer of, and on behalf of, Country Club Heights Joint Venture.

WITNESS my hand and official seal.



Notary Public in and for said State



My commission expires 11/3/82

EXHIBIT "A"

PROJECT AREA

A tract of land located in the Southwest Quarter (SW $\frac{1}{4}$) of Section 31, Township 7 North, Range 90 West of the 6th Principal Meridian, Moffat County, Colorado, more particularly described as follows:

Beginning at a point lying North 1,085.86 feet and S. 89°56'34" W., 1,358.39 feet from the Southeast Corner of the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$) of said Section 31;
thence North 217.48 feet to the Southerly right-of-way of Seventh Street;
thence along said right-of-way, S. 87°43'46" W., 312.20 feet;
thence South 331.09 feet;
thence N. 75°01'12" E., 198.74 feet;
thence 104.54 feet, along the arc of a curve to the left having a central angle of 26°37'12" and a radius of 225.00 feet, the chord of which bears N. 61°42'36" E., 103.60 feet;
thence N. 48°24'00" E., 38.43 feet, to the Point of Beginning

otherwise described and known as COUNTRY CLUB HEIGHTS, SECOND ADDITION, as shown on the recorded Plat thereof recorded June 30, 1981 under Reception No. 267285 as Misc. File No. 5534.

EXHIBIT "B"

COMMON AREA

A tract of land located in the Southwest Quarter (SW $\frac{1}{4}$) of Section 31, Township 7 North, Range 90 West of the 6th Principal Meridian, Moffat County, Colorado, more particularly described as follows:

Beginning at a point lying North 1,085.86 feet and S. 89°56'34" W., 1,358.39 feet from the Southeast Corner of the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$) of said Section 31;
thence North 217.48 feet to the Southerly right-of-way of Seventh Street;
thence along said right-of-way, S. 87°43'46" W., 312.20 feet;
thence South 331.09 feet;
thence N. 75°01'12" E., 198.74 feet;
thence 104.54 feet, along the arc of a curve to the left having a central angle of 26°37'12" and a radius of 225.00 feet, the chord of which bears N. 61°42'36" E., 103.60 feet;
thence N. 48°24'00" E., 38.43 feet, to the Point of Beginning

otherwise described and known as COUNTRY CLUB HEIGHTS, SECOND ADDITION, as shown on the recorded Plat thereof recorded June 30, 1981 under Reception No. 267285 as Misc. File No. 5534

EXCEPTING THEREFROM

Lots 1 through 18 inclusive, Block "A"
Lots 1 through 16 inclusive, Block "B"
Lots 1 through 12 inclusive, Block "C"
as shown on the recorded Plat of COUNTRY CLUB HEIGHTS, SECOND ADDITION recorded under Reception No. 267285 as Misc. File No. 5534.

ARTICLES OF INCORPORATION
OF
COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of the Colorado Nonprofit Corporation Act, cited as Articles 20 to 29 inclusive, of Title VII Colorado Revised Statutes 1973 the undersigned has and hereby acknowledges his intent to form a corporate entity under and by virtue of said law.

ARTICLE I
NAME

The name of the corporation is Country Club Heights Homeowners Association, Inc., hereinafter called the "Association".

ARTICLE II
PRINCIPAL OFFICE

The principal and initial registered office of the Association is located in Denver County, Colorado, at 730 Seventeenth Street, Suite No. 920, Denver, Colorado 80202.

ARTICLE III
INITIAL REGISTERED AGENT

Keith M. Pockross, whose address is 730 Seventeenth Street, Suite No. 920, Denver, Colorado 80202 is hereby appointed the initial registered agent of this Association.

BY-LAWS

Exhibit "D"

OF

COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 730 Seventeenth Street Suite 920, Denver, Colorado 80202, but the meetings of members and directors may be held at such place within the State of Colorado, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property

owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map or maps of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to COUNTRY CLUB HEIGHTS JOINT VENTURE, a Colorado general partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties to be recorded in the office of the Moffat County Clerk and Recorder.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration of Covenants, Conditions and Restrictions.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of

the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth ($\frac{1}{4}$) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty-five percent (25%) of the votes of the membership shall constitute a quorum

For any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by the Board of three (3) directors, who all shall be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect one (1) director for a term of three (3) years. The directors shall hold office until their successors have been elected and qualified.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or

removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for serving as a director of the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties. This provision shall in no way be construed so as to prevent payment of compensation to a manager or management company pursuant to a management contract, even though such manager or an officer, director or shareholder of the management company may be a member of the Board of Directors, the Declarant, or in some manner associated with one or more of said parties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more

members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations must be made from among Lot Owners.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Waiver. Any director may waive notice of a meeting after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 5. 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 dissent shall be 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.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- a) Adopt, publish, and enforce rules and regulations governing the operation and use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof. Such rules and regulations may be adopted and/or amended at any regular or special meeting of the Board of Directors;
- b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- c) Exercise for the Association all powers, duties and authority vested in or deligated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration of Covenants, Conditions and Restrictions;
- d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular or special meetings of the Board of Directors.

e) Employ a manager, managing agent, an independent contractor, and/or such other employees as they deem necessary, and to prescribe their duties, and to designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the Common Areas.

Section 2. Duties. It shall be the duty of the Board of Directors to:

a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c) To prepare a budget for the Association at least thirty (30) days prior to the beginning of each fiscal year. In preparing such budget the Board shall estimate the net charges to be paid during the year, in order to determine the amount of the common assessments to be payable by the Owners to meet Common Area expenses, and allocate and assess such common charges among the Owners according to their ownership interests and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments, and remit or return any excess of assessments over expenses, working capital,

sinking funds, and reserve to the Owners at the end of each operating year. To establish and maintain a reserve fund for maintenance, repair and replacement of capital improvements within the Common Areas, including by way of illustration and not by way of limitation, reserves for road resurfacing and repairs, to levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to maintain an adequate reserve fund, working capital fund or to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

d) As more fully provided in the Declaration of Covenants, Conditions and Restrictions, to:

- 1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- 2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- 3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

e) Issue, or to cause an appropriate officer to issue,

upon proper demand by any Lot owner, a certificate setting forth whether or not any assessment or other charge has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

f) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

g) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

h) Cause the Common Area to be maintained;

i) Enter into contracts to carry out their duties and powers; and

j) Employ for the Association a manager and/or managing agent who shall have and exercise those duties and powers deligated to it by the Board but not those powers which the Board, by law, may not delegate, and provided that the delegation of powers and duties to the manager and/or managing agent shall not relieve the Board of its responsibility for the performance of such powers and duties.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of

this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, or until his successor shall have been elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make

it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes, unless said function is delegated to a manager and/or management agent.

Vice-President

b) the vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members; provided, however, any or all of said duties may be delegated to a manager and/or managing agent.

ARTICLE IX

COMMITTEES

The Board of Directors may appoint an Architectural

Control Committee, as provided in the Declaration, and shall appoint a Nominating Committee, as provided in the By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or the mortgagee of any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due 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 foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director and officer, their respective successors, personal representatives, and heirs, against all loss, costs, and expenses, including counsel fees, reasonably incurred by such person in connection with any action, suit or proceeding to which such person may be made a party by reason of such person being or having been a director or officer of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of such person's duties as such director or officer. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, cost, and expense arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Area expenses.

ARTICLE XIII

CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATION, INC.

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND
DESIGNATION OF VOTING REPRESENTATIVE

Section 1. Proof of Ownership. Except for those Owners who initially purchase a Lot from Declarant, any person on becoming an Owner of a Lot shall furnish to the Board a conformed

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Section 1. Proof of Ownership. Except for those Owners who initially purchase a Lot from Declarant, any person on becoming an Owner of a Lot shall furnish to the Board a conformed

copy of the recorded instrument vesting that person with an interest or ownership in the Properties, which copy shall remain in the files of the Association.

Section 2. Registration of Mailing Address. The Owners or several Owners of an individual Lot shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address shall be furnished by such Owners to the Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in writing and signed by all of the Owners or by such persons as are authorized by law to represent the interest of all of the Owners thereof.

Section 3. Designation of Voting Representative - Proxy.

If a Lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a Lot is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the Owner himself might cast if he were personally

present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the Owner shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section 3.

Section 4. Good standing. The requirements herein contained in this Article XV shall be first met before an Owner of a Lot shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XVI

INCORPORATION OF DECLARATION

Reference made herein to the Declaration is to the Declaration of Covenants, Conditions, and Restrictions of the COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATION to be recorded in the books and records of Moffat County, State of Colorado, which Declaration is incorporated herein as though fully set forth.

ARTICLE XVIII

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except the first fiscal year shall begin on the date of incorporation.

Section 2. Use of Common Areas. Each Owner may use the Common Areas and sidewalks located within the entire Properties in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners, and subject to the rules and regulations contained in these By-Laws

and established by the Board.

IN WITNESS WHEREOF, the undersigned, being all the members of the Board of Directors of the COUNTRY CLUB HEIGHTS HOMEOWNERS ASSOCIATION, INC., have approved and executed these By-Laws at Denver, Colorado, this ____ day of _____, 1981.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Country Club Heights Homeowners Association, Inc., a Colorado corporation; and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 1981.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 1981

_____, Secretary