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**FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
OF LAST DOLLAR P.U.D. ASSOCIATION**

AND

**FIRST AMENDED AND RESTATED BY-LAWS OF LAST DOLLAR P.U.D.
ASSOCIATION**

THIS FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF LAST DOLLAR P.U.D. AND FIRST AMENDED AND RESTATED BYLAWS OF LAST DOLLAR P.U.D. ASSOCIATION (collectively, the **"Restated Declaration and Bylaws"**), is made and entered into by Last Dollar P.U.D. Association, a Colorado not for profit corporation, effective as of this 30th day of June, 2006 (the **"Effective Date"**).

This Restated Declaration and Bylaws hereby fully amends, supersedes, revokes and replaces (i) the Declaration of Grants, Covenants, Conditions and Restrictions of Last Dollar P.U.D. Association (the **"Original Declaration"**), recorded June 12, 1974, in the Official Records of the County Clerk and Recorder, San Miguel County, Colorado, in Book 1 at page 42 and the actions taken thereunder, as well as (ii) all subsequent amendments, supplements, corrections and/or additions thereto, and actions taken thereunder through and including the Effective Date, specifically including, without limitations, the following documents recorded in the official records of the San Miguel County Office of Clerk and Recorder (the **"Official Records"**):

a. Last Dollar Planned Unit Development Declaration of Covenants, Conditions, Restrictions and Easements, and By-Laws of Last Dollar Planned Unit Development Improvement Association, recorded in the Official Records on June 24, 1974 at Reception No. 188561, Book 349, Pages 619-650;

b. Last Dollar Planned Unit Development First Amendment to Declaration of Covenants, Conditions, Restrictions and Easements, and By-Laws of Last Dollar Planned Unit Development Improvement Association, recorded in the Official Records on June 16, 1975 at Reception No. 191633, Book 353, Pages 381-382;

c. Last Dollar Planned Unit Development Second Amendment to Declaration of Covenants, Conditions, Restrictions and Easements, and By-Laws of Last Dollar Planned Unit Development Improvement Association, recorded in the Official Records on July 20, 1979 at Reception No. 212893, Book 380, Pages 795-806;

d. Third Certificate of Amendment and Republication of Last Dollar Planned Unit Development, Declaration of Covenants, Conditions, Restrictions and Easements, and By-Laws of Last Dollar Planned Unit Development Improvement Association, recorded in the Official Records on December 24, 1982 at Reception No. 227750, Book 402, Pages 465-491;

e. Amendment 1 To Third Certificate of Amendment and Republication of Last Dollar Planned Unit Development, Declaration of Covenants, Conditions, Restrictions and Easements, and By-Laws of Last Dollar Planned Unit Development Improvement Association, recorded in the Official Records on May 26, 1983 at Reception No. 229563, Book 404, Pages 674-675;

f. Last Dollar P.U.D. Improvements Association, Fourth Amendment to Declarations, as Recorded in Book 402, PP 465-491, County of San Miguel, CO, recorded in the Official Records on March 28, 1997 at Reception No. 311409, Book 578 at Page 737;

g. Fifth Certificate of Amendment and Republication of Last Dollar Planned Unit Development, Declaration of Covenants, Conditions, Restrictions and Easements and By-Laws of Last Dollar Planned Unit Development Improvement Association, recorded in the Official Records on October 21, 1998 at Reception No. 321940;

h. Last Dollar P.U.D. Improvements Association, Sixth Amendment to Declarations, recorded in the Official Records on February 11, 1999 at Reception No. 324307; and

i. Last Dollar P.U.D. Improvements Association Seventh Amendment to Declarations as Recorded in Book 402, PP465-491, County of San Miguel, Colorado, recorded in the Official Records on November 30, 2001 at Reception No. 345448

WHEREAS, on _____, 2006, the Association approved the adopted and recordation of this Restated Declaration and Bylaws, effective as of the Effective Date, by written approvals provided by no less than 67% of the Owners, pursuant to a mail ballot to the Members of the Association (the "**Owners' Approval**").

WHEREAS, the Owners' Approval specifically included a directive for the President of the Association to execute, deliver and ensure recordation of this Restated Declaration and Bylaws, for purposes of consolidating in one document all of the applicable covenants, conditions, restrictions and easements governing the Development and the bylaws governing the Association, effective as of the Effective Date and thereafter.

WHEREAS, by approving the adoption and recordation of these Restated Declaration and Bylaws, the Owners' desire to more clearly establish and confirm a common ownership regime to ensure the uniform and continuing care and maintenance of the Development for the privacy, benefit and enjoyment of the Owners and other persons who shall reside in the Development from time-to-time.

WHEREAS, by approving the adoption and recordation of this Restated Declaration and Bylaws, the Owners further confirmed their desire to enhance and protect the value, desirability and attractiveness of the Development.

NOW, THEREFORE, by this Restated Declaration and Bylaws, the Owners and Association hereby confirm, ratify, declare and state that from and after the Effective Date, the Development and all Lots and Condominium Units (as defined below) shall be held, owned, occupied, maintained and operated, subject to the following:

ARTICLE 1

Definitions

1.1 **"Accessory Dwelling Unit"** shall mean and refer to all Accessory Dwelling Units as defined by the San Miguel County Land Use Code in effect as of the Effective Date, and which must be attached by internal or external building improvements, consisting of covered walkways, subterranean structures, roofs and/or other similar permanent building improvements.

1.2 **"Articles"** shall mean the Articles of Incorporation for the Association, as filed with the Colorado Secretary of State and in effect from time-to-time.

1.3 **"Association"** shall mean and refer to *"Last Dollar P.U.D. Association, a Colorado not-for-profit corporation,"* its successors and assigns.

1.4 **"Classes of Interests"** shall mean and refer to Lots or Condominiums, as set forth in Sections 1.6 and 1.8 below.

1.5 **"Common Area"** shall mean and refer to the real property initially owned by declarant and hereby confirmed, ratified, approved and accepted as fully vested, conveyed to and held by the Association, all more specifically depicted as Common Outlot 1, Common Outlot 2, and Common Outlot 3 on that certain plat recorded on June 12, 1974 in Plat Book 1, at Page 42, and the *"Common Area Water Tank"*, as set forth in the *"Replat of Parcel B"*, as recorded on Plat Book 1, at Pages 415-416, all in the Official Records.

1.6 **"Condominium Lot"** shall mean and refer to Lot 3A, created from the initial Lot A, upon which the eight Condominium Units are constructed, occupied and maintained, all as described on the Plats and in the *"Last Dollar Condominiums"* documents.

1.7 **"Common Facilities"** shall mean and refer to the Development roads, common water systems, common sewer systems, common natural gas systems, and any common cable or satellite communications systems, drainage systems, trash enclosures, signs and all structures, facilities, equipment, easements and/or other improvements related thereby and/or any other common property of the Association, whether located on the Development or elsewhere.

1.8 **"Condominium Units"** shall mean and refer to the eight Condominium Units created, constructed, occupied and maintained in *"Buildings B and D"* on the Condominium Lot as part of the *"Last Dollar Condominiums"*, all pursuant to the Plats and the Condominium Declaration of Last Dollar Condominiums recorded in the Official Records on June 12, 1974, in Plat Book 1, at Page 42, together with the Condominium Map recorded in the Official Records on June 12, 1974, in Plat Book 1, at Page 42, both as amended through the Effective Date, and all as further listed and referenced on the attached Exhibit "A".

1.9 **"Development"** shall mean and refer to all the Lots, Condominiums, Accessory Dwelling Units, Common Areas and associated Common Facilities contained within the *"Last Dollar P.U.D."*, as created by the Plats and as further listed and referenced on the attached Exhibit "A".

1.10 "**East Lots**" shall mean those eight single family residential Lots located on the east side of the Development along Valley View Drive.

1.11 "**Lots**" shall mean and refer to the total 21 residential Lots located in the Development, generally classified as follows and more specifically listed and referenced on the attached Exhibit "A".

1.12 "**Member**" shall mean and refer to those persons or entities entitled to vote on Association matters and other rights of membership in the Association, by virtue of being an Owner or Owners, as further set forth in Article II below.

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

1.14 "**Ownership Interest**" shall mean and refer to the interest vested in an Owner, by virtue of ownership of a Lot or Condominium, including the associated undivided Ownership Interests in and to the Common Area.

1.15 "**Plats**" shall mean and refer to the original San Miguel County approved Plat for the Development recorded in the Official Records on June 12, 1974 at Plat Book 1 at Page 42 as well as all amendments, supplements, corrections and/or additions/deletions thereto, as of the Effective Date.

1.16 "**Primary Residential Dwelling**" shall mean and refer to the principal residential structure and related improvements located on any Lot.

1.17 "**Vela Property**" shall mean and refer to the approximately two-acre parcel of property owned by the Velas (and occupied by Retta Vela as of the Effective Date) abutting the Development, but excluded from the Development by the original Plat approved by San Miguel County for the Development.

1.18 "**West Lots**" shall mean those 13 single family residential lots located on the west side of the Development located along Nimbus Drive and driveways/easements off of Nimbus Drive.

ARTICLE II Membership

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot or Condominium Unit, subject to Assessment by the Association, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Lot or Condominium shall be deemed to have more than one membership for purposes of Association voting purposes. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Condominium Unit which is subject to Assessment by the Association. Ownership of such interests in lots or Condominium Units shall be the sole qualification of membership in the Association.

ARTICLE III Administration

3.1 Bylaws. The provisions of this Article and Articles IV, V, VI and VII hereinafter shall constitute the Bylaws of the Association.

3.2 Board of Directors: The direction and administration of the Common Area and the Development shall be vested in a board of directors (hereinafter sometimes referred to as (the "Board"), consisting of five persons, who shall be elected in the manner hereinafter provided. The Owners, acting collectively through the Board, shall conduct the general business of the Association. Notwithstanding any provision herein contained to the contrary, all duties, functions and obligations herein imposed upon the Board are so imposed with the express understanding that the Board shall serve as the governing body and agent of the Owners and the Association. Each member of the Board shall be an Owner; provided, however, that in the event an Owner is a corporation, partnership, trust or other legal entity, other than a natural person or persons, then any director or officer of such corporation, partner of such partnership, individual, trustee or beneficiary of such trust or manager of such limited liability company or other legal entity shall be eligible to serve as a member of the Board.

3.3 Matters of Dispute: Matters of dispute or disagreement between Owners relating to any subject matter over which the Association shall have jurisdiction shall be determined by the Board, which determination shall be final and binding on the Association and all Owners.

3.4 Voting Rights: Only one person shall be entitled to vote at any meeting of the Association with respect to matters involving ownership of a Lot or Condominium. Such person shall be hereinafter referenced as a "Voting Member". Such Voting Member may be one of the group composed of all the Owners of a particular Lot or Condominium Unit, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator or by written notice to the Board by the Owner or Owners and shall automatically cease upon conveyance of any Owner's or Owners' interest in a Lot or Condominium Unit. Proxies shall be valid only for the particular meeting or time designated thereon (but not more than six months after their execution), and must be filed with the Board before the scheduled time

of any meeting. Any or all Owners may be present at any meeting of the Voting Members and (those constituting a group acting unanimously) may vote or take any other action as a Voting Member, either in person, or by proxy. The total number of all Voting Members shall be equal to the sum of 29, and each shall be entitled to one vote for each Lot and/or Condominium Unit owned.

3.5 Quorum: The presence in person or by proxy of the Voting Members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Voting Members at which a quorum is present by the affirmative vote of the Voting Members having a majority of the total votes present at such meeting.

3.6 Annual Members Meeting: An annual meeting of the Voting Members shall be held in October, November or December of each year, if possible around 7:00 o'clock p.m., or as otherwise established by the Board. Such annual meetings shall be held in the Development, or at such other reasonable place or time (not more than 30 days before or after such date, if possible) as may be designated by written notice of the Board delivered to the Voting Members not less than 20 days prior to the date fixed for the annual meeting. The Board's notice shall contain, at a minimum, (i) an agenda; (ii) minutes of the prior annual Owner's meeting; (iii) a proxy form; and (iv) reasonably available pertinent information on major agenda items.

3.7 Special Meetings: Special meetings of the Voting Members may be called at any time for the purpose of considering any matters by either (i) the Board, or (ii) written demand by no less than 20% of the Voting Members. The Board shall provide notice of such meeting to the membership at large within five business days after any written demand from the Voting Members, scheduling a Special Meeting within no less than 15 business days after such notice. Any notice so delivered shall specify the date, time and place of the meeting and the matters to be considered.

3.8 Notice of Meetings: Notice of meetings required to be given herein may be delivered, either personally by mail, postage prepaid, by facsimile or email to the persons entitled to vote and addressed to each person at the address given to the Board for the purpose of service of such notice or to the Owner with respect to which such right appertains, if no address has been given to the Board.

3.9 Attendance by Telephone or Proxy. Voting Members may attend any meeting of the owners either by written proxy delivered to the Board or by teleconferencing or similar means where all Voting Members attending can hear each other and participate verbally.

3.10 Board of Directors: Election: Meetings:

3.10.1 At each annual meeting, the Voting Members shall elect a Board for the forthcoming year, consisting of five voting directors.

3.10.2 Nomination for election to the Board may be made by a nominating committee or from the floor of the annual meeting of the Voting Members. Any nominating committee shall consist of a chairman who shall be a director of the Board and two or more

Owners. The nominating committee, if any, may be appointed by the Board prior to each annual meeting of the Voting Members and serve from the close of such annual meeting until the close of the next annual meeting, and such appointment, if any, shall be announced at each annual meeting. The nominating committee, if any, shall make as many nominations for election of directors to the Board as it shall determine, in its sole discretion, but not less than the number of director vacancies that are to be filled.

3.10.3 Unless otherwise approved by the Voting Members, election to the Board shall be effected by secret written ballot. At such election the Voting Members or their proxies may cast one vote for each Lot or Condominium Unit exercisable for each directorship being elected. The persons receiving the greatest number of votes for each directorship being elected shall be elected.

3.10.4 The Board shall elect from among its directors (i) a president who shall preside over both its meetings and those of the Voting Members; (ii) a secretary who shall keep the minutes of all meetings of the Board and of the Voting Members and who shall, in general, perform all of the duties incident to the office of secretary; and (iii) a treasurer, to keep all financial records and books of account for the Association.

3.10.5 Any Board director may be removed from office by the affirmative vote of the Voting Members having at least 67% of the total votes at any special meeting called for the purpose. A successor to fill the unexpired term of a Board director removed may be elected by either (i) the Board or (ii) majority vote of the Voting Members at the same meeting or any subsequent meeting called for that purpose.

3.10.6 An annual meeting of the Board shall be held immediately following the annual meeting of the Voting Members and at the same place. Special meetings of the Board shall be held upon call by the president or by a majority of the Board with not less than two business days advance notice in writing to each director of the Board, delivered personally or by mail, facsimile or email. In addition to the Board notice, the President or the directors calling the special meeting shall use their best efforts to promptly notify the Voting Members of the meeting, by notice sent by U.S. Mail, facsimile or email transmission, or personal notification. Any Board director may in writing waive notice of a meeting or consent to the holding of a meeting without notice, or consent in writing to any action of the Board without a meeting. All Board meetings shall be open to attendance by any Owners or Members.

3.10.7 Three directors shall constitute a quorum at any Board meeting. Directors shall serve for a term of one year or until their successors are elected and qualify. If a director shall cease to meet any qualifications herein required for a director, such director shall thereupon cease to be a director of the Board and the director's place on the Board shall be deemed vacant. Vacancies in the Board may be filled by unanimous vote of the remaining directors. Except as otherwise provided herein, the Development shall be managed by the Board, and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

3.10.8 Directors may attend meetings held by teleconferencing or similar means, provided all attending directors can hear each other and participate verbally. No director can provide a proxy to another person for purposes of attending a board meeting on behalf of the director.

3.10.9 Directors shall receive no compensation for their services, unless expressly provided for in resolutions duly adopted by the Voting Members and shall not be liable to the Owners for any mistake of judgment or for any acts made or omissions to act committed in good faith as such directors.

ARTICLE IV **Powers and Duties of the Board**

4.1 Powers:

4.1.1 Adopt and publish rules and regulations concerning use of the Common Area and Common Facilities and the personal conduct of the members and their guests in the Development, and to establish penalties for violations of such rules and regulations;

4.1.2 To administer the affairs of the Association and the Development;

4.1.3 To exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Voting Members by other provisions of this Restated Declaration and Bylaws or the Articles;

4.1.4 To declare the office of a director to be vacant in the event such director shall be absent from three consecutive regular meetings of the Board;

4.1.5 To employ a manager, independent contractor or such other employees as they deem necessary and to prescribe their duties;

4.1.6 To appoint committees as deemed appropriate to carry out its purposes and duties and to prescribe rules thereof.

4.1.7 To adopt budgets for the Association and levy Assessments, based on such budgets.

4.2 Duties:

4.2.1 Cause to be kept a complete record of all its acts and corporate affairs.

4.2.2 Supervise all officers, agents and employees of the Association and see that their duties are properly performed;

4.2.3 As more fully provided in this Restated Declaration and Bylaws, to:

4.2.3.1 Fix the amount of the total annual Assessments against each Lot or Condominium Unit in advance of each annual Assessment against each annual Assessment period as hereinafter provided;

4.2.3.2 Send written notice of each Assessment to every Owner subject thereto, as hereinafter set forth in this Restated Declaration and Bylaws or as reasonably modified by the Board;

4.2.3.3 Issue or cause an appropriate officer to issue, upon demand by any person or entity, a certificate setting forth whether or not any Assessment 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;

4.2.3.4 Procure and maintain adequate liability and hazard insurance on the Common Areas and any property owned by the Association;

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

4.2.3.6 Cause the Common Area and all property owned by the Association to be reasonably maintained, repaired and replaced;

4.2.3.7 Provide for the maintenance, repair and replacement of the Common Facilities and/or the Common Area, by and through its officers, employees and/or a professional manager or agent.

ARTICLE V

General Association Management

5.1 **Fiscal Management:** The fiscal year of the Association shall begin on the first day of January each year, and shall end on the last day of December of each year.

5.2 **Contracts:** The Board may authorize any officer or officers and/or agent or agents of the Association, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

5.3 **Payments:** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by such authorized officer or officers, and/or agent or agents of the Association and in such manner as shall be determined by resolution of the Board from time-to-time. In the absence of such determination by the Board, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the Association.

5.4 Bank Accounts: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

5.5 Special Receipts: The Board may accept on behalf of the Association any contribution, gift, bequest, or device for general purposes or for any special purpose of the Association.

ARTICLE VI

Books and Records

The books, records and papers of the Association shall be subject to inspection by any Members at all times during reasonable business hours. The Declaration, Articles and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable charge.

ARTICLE VII

Property Rights

7.1 Property Rights: Every Owner shall have a right and easement of enjoyment in and to the Common Area and with respect to all Common Facilities, and such easement shall be appurtenant to and shall pass with the title to every Ownership Interest, subject to the provisions hereinafter set forth:

7.1.1 The right of the Association to limit the number of Owner's guests.

7.1.2 The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of maintaining and improving the Common Area and Common Facilities.

7.1.3 The right of the Association to suspend the voting right for an Owner or Owners for (i) any period during which any Assessment against the Owner(s)' interest in the Development remains unpaid and (ii) for a period not to exceed 30 days for any infraction of published rules and regulations.

7.1.4 The right of the Association to foreclose the lien against any Ownership Interest for unpaid Assessments as provided in Paragraph 9.13.

7.1.5 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Owners. No such dedication or transfer shall be effective unless an instrument signed confirming approval by no less than 67% of the Voting Members of the Association has been recorded.

7.2 Delegation of Use: Any Owner may delegate, in accordance with this Restated Declaration and Bylaws, the Owners right of enjoyment to the Common Area and Common Facilities to family members or tenants occupying and/or using the Owner's Lot or Condominium Unit.

ARTICLE VIII

Easements

8.1 Common Area Access Easements. All Owners are hereby granted an easement over and upon the Common Area, for the purpose of vehicular, pedestrian, bicycle and other access ingress and egress to and from their respective Lots and/or Condominium Units to and from public roads and highways and/or public or private trails.

8.2 Common Facilities Easements. Each Lot and Condominium Unit is hereby subject to an easement for purposes of installing, maintaining, repairing, replacing and/or improving all or any part of any Common Facilities including, without limitation, sewer and the central water system, as well as electrical, telephone, cable, fuel cell, solar, natural gas utilities, and/or any other energy distribution or communications systems located or to be located thereon or therein, for the purposes of providing services to all and/or some Owners and/or occupants of the Development. The Association hereby agrees to both (a) provide reasonable prior written notice to any affected Lot Owner(s) (in no event less than 10 business days) and (b) to use its best efforts in exercising this easement right to limit and/or repair/replace any damages caused to any Lot, Primary Residential Dwelling, Accessory Dwelling Unit, Condominium or other improvements upon or servicing any Lot or Condominium Unit. Unless otherwise agreed by affected Lot Owners, these Common Facilities easement rights shall be limited to (i) easement and set back locations designated on Plats; (ii) other documents recorded in the Official Records; and (iii) locations of any Common Facilities currently installed and/or existing on, in, through or over any Lot or Condominium Unit as of the Effective Date.

8.3 Vela Property Access Easement. The Owners of the Vela Property are hereby granted an easement over and upon that portion of the Common Area containing Development arterial roadways for the purpose of vehicular, pedestrian, bicycle and other access ingress and egress to and from the Vela Property to and from all public roads and highways. This easement shall exist only for so long as the Vela Property contains and/or is used for no more than two residential homesites and only for purposes of access to no more than two residences constructed thereon. This easement shall automatically terminate, at such time as the Vela Property ever should be used for any purpose other than two single family residences.

8.4 Vela Property Water System Common Area Easements. So long as the Vela Property is restricted to two single family residences, Common Outlot 3, as designated on the Plats, and other portions of the Common Area are hereby subject to easements in favor of the Vela Property owners for the purpose of installing, maintaining, repairing and improving that part of the central water system furnishing the Vela Property with water. These easement rights shall automatically terminate, at such time as the Vela Property ever should be used for any purpose other than up to two single family residences.

8.5 Vela Property Common Area Power Easement. So long as the Vela Property contains no more than two single family residences, the Common Area is hereby subject to a utility easement for the purpose of providing electricity to the Vela Property. In the event that the Vela Property should ever be used for more than two residences, then the utility easement across the Common Area shall automatically terminate.

8.6 Lots 1, 2 and 3 Driveway Easement. An easement extending five feet in width on either side of the lot line dividing Lots 2 and 3 to the easterly lot line of Lot 1, as is more fully depicted on the Plats, is hereby declared, granted, confirmed and conveyed for the purpose of constructing and/or maintaining in its current location a private driveway for the mutual benefit of the respective Owners of said Lots 1, 2 and 3.

8.7 Lots 4, 5, 6 and 7 Common Area Driveway Easement. An easement over and upon the Common Area extending from the dedicated road along the northwestern lot line of Lots 6 and 7 and the northern lot line of Lot 5 and part of Lot 4, as is more fully depicted on the Plats, is hereby declared, granted, confirmed and conveyed for the purpose of constructing and maintaining in its current location a driveway for access to and from these lots and for ingress and egress therefor for the mutual benefit of the respective Owners of Lots 4, 5, 6, and 7, as depicted on the Plats. At the discretion of the Board, the Owners of Lots 4, 5, 6, and 7 shall equally pay and bear all costs associated with any driveway improvements over this easement area, including maintenance of insurance (which shall name the Association as an Additional Named Insured Party).

8.8 Lots 4, 5, 6 and 7 Common Improvements Easements. The Association and Owners of Lots 4, 5, 6 and 7 hereby acknowledge, accept and confirm the construction and existence of the roadway, parking and related improvements on these lots (the "**Lots 4, 5, 6 and 7 Common Improvements**"). Each of the Owners of Lots 4, 5, 6, and 7, both jointly and severally, hereby grant, convey, declare and confirm to the Association all rights necessary to access, construct, repair, replace and maintain those portions of the Lots 4, 5, 6 and 7 Common Improvements crossing Lots 5, 6 and/or 7 and utilized as a Development roadway for access to Lots 4, 5 and/or 6. Otherwise, each of the Lot 4, 5, 6 and 7 Owners, both jointly and severally, does hereby acknowledge, accept, agree and confirm that each of these respective Lot Owner(s) shall bear full responsibility for all costs, expenses, obligations and liabilities (of any kind whatsoever) with respect to any portion of the Lots 4, 5, 6 and 7 Common Improvements located on that Lot Owner(s) respective Lot. These construction, repair, replacement, maintenance and related obligations shall include, without limitation, the agreement to fully indemnify, defend and hold harmless all other Owners, the Association and all Lots and Common Areas from and against any and all claims and/or liabilities of any kind whatsoever relating to or arising from or in connection with the Lots 4, 5, 6, & 7 Common Improvements obligations and rights specified in this Section 8.8.

ARTICLE IX

Assessments

9.1 Creation of the Lien: Personal Obligation of Assessments: The Owner of each Lot or Condominium Unit, hereby warrants covenants and represents to and with each of the other Owners that, by acceptance of a deed for the Owner's Lot or Condominium Unit (whether or not it shall be so expressed in such deed or other conveyance), is deemed to accept and agree to pay to the Association: (i) All annual Assessments or charges; and (ii) Special Assessments for capital improvements, or otherwise. Such Assessments shall be fixed, established and collected from time-to-time as hereinafter provided.

9.2 Annual and Special Assessments. The Association's annual and special assessments, charges and/or other Association expenditures, together with interest charges and costs of collection including, without limitation, reasonable attorney's fees (collectively, the "Assessments"), shall be charged to the assessed Owner(s) and all pertinent Lot(s) and Condominium Unit(s) and shall constitute continuing liens upon each of the Lot(s) or Condominium Unit(s) against which such Assessments are made. All Assessments, shall be the personal obligation of the then-current Owners of the assessed Lot(s) or Condominium Unit(s) at the time when the Assessments were made and/or costs incurred. This personal obligation shall not pass to any Owner's successors in title, unless expressly assumed by such successor; provided, however, that no such assumption shall relieve or limit the initial Owner's personal liability or relieve the assessed Lot or Condominium Unit from the continuing liens created for the Assessments.

9.3 Purpose of Assessments. The Assessments levied by the Association shall be exclusively for the purposes of promoting the recreation, health and safety and welfare of the residents and Owners of the Development, and, in particular, for the improvement, maintenance and administration of the Common Area and the Common Facilities (including, but not limited to, overhead, maintenance, repairs, replacements and additions to the Common Facilities, taxes and insurance pertaining to the Common Area and/or Common Facilities, landscaping, tree removal, planting and additions to the Common Area, the making of repairs, and such other Common Facilities as may enhance and better the Development).

9.4 Assessments. Assessments for operating, maintenance repair and replacement expenses for Common Facilities including, but not limited to, domestic water, sanitary sewer, natural gas, satellite and/or cable communications, road maintenance, snowplowing, trash removal, management, legal, accounting and administration, as well as Assessments for repairs, replacements and/or capital improvements, will be allocated in accordance with the Ownership Interests set forth in Exhibit "A".

9.5 Accessory Dwelling Units. In the event that any Owner shall construct an Accessory Dwelling Unit on any Lot, then the Assessments for that Lot shall be increased by increasing the then-current Ownership Interests Assessments percentage allocated to that Lot. For purposes of reflecting additions of Accessory Dwelling Units to the Development from time-to-time, the following Attributed Densities shall be applied to the Lots and Condominiums:

	<u>Attributed Densities per Lot</u>
West Lots:	3.5
East Lots:	4.0
Condominiums:	3.0
Accessory Dwelling Units:	1.0 (subject to the interim reduced rates applied to the existing Accessory Dwelling Units on Lots 2, 5 and 11)

Exhibit "A" reflects the Ownership Interests deemed in effect for the Development as of the Effective Date, based on the reduced Attributed Densities assigned to Lots 2, 5 and 11 during ownership by the current owners of these lots as of the Effective Date – all as further detailed on Exhibit "A". Exhibit "A" shall be amended, and the reflected Attributed Densities and associated Ownership Interests for the Development changed, to reflect (i) any additions of Accessory Dwelling Units on Lots and/or (ii) any changes in beneficial ownership of Lots 2, 5 and/or 11 (resulting in the 1.0 Attributed Densities for each of these lots being assigned to the respective transferred lot, effective as of the date the change in ownership occurred).

9.6 Reserves. The Board may, but need not, in the exercise of its reasonable business judgment, establish, build up and/or maintain reasonable reserves for contingencies, capital needs and/or various replacement needs and assess the Owners therefor. Extraordinary expenditures not originally included in the annual estimate that may become necessary during any year, at the Board's sole and absolute discretion, may be charged first against such reserve. If any estimated cash requirements prove inadequate for any reason, including non-payment of any Owners' Assessments, the Board may at any time levy further Assessments, provided that the purposes and/or needs for such Assessments are established for expenditures set forth herein. The Board shall serve upon the Owners written notice of further Assessments and the Owners shall be obliged to pay such additional Assessment pursuant to the terms set forth by the Board in such notice(s).

9.7 Nondiscrimination. In no event shall any Assessments made pursuant to this Restated Declaration and Bylaws be discriminatory, prejudicial, or disproportionately burdensome (in relation to the benefits derived) against any Class of Interest or Ownership Interest.

9.8 Date of Commencement of Annual Assessments: The Board shall fix the amount of the annual Assessments against each Ownership Interest at least 30 days in advance of each annual Assessments period or, in lieu thereof, the amount of the prior year's annual Assessments shall be the fixed amount. Written notice of the amount of the annual Assessments shall be sent to every Owner subject thereto. The due dates shall be established by the Board, but in no event later than 30 days after notice is given.

9.9 Requirements for Special Assessments for Improvements, Repairs and Maintenance: Prior to the making of any improvements such expenditure shall be recommended by the Board, and any such Assessment shall have the assent of 67% of the Voting Members voting in person or by proxy at a meeting duly called for this purpose. Written notice of any such meeting shall be sent to all Members not less than 30 days and not more than 60 days in advance of the meeting, setting forth the purpose of the meeting. At such meeting the presence at the meeting of Voting Members or of proxies entitled to cast over 60% of the votes of all Voting Members shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth herein, and the required quorum at any such subsequent meeting shall be 30% of the Voting Members. No such subsequent meeting shall be held more than 30 days following the preceding meeting.

9.10 Capital Improvements. Notwithstanding any provision herein to the contrary, no capital improvement required and necessary for the benefit of the Owners or for any particular Class of Interests and any Assessment therefore shall be refrained from being made or effected so long as the respective Owners or Ownership Interests in the portions of the Development being benefited thereby bear their equitable monetary burden, nor shall any obligation for improvement be incurred or made requiring Assessment which would be prejudicial, discriminatory or disproportionately burdensome (in relating to the benefits derived) on or against any Ownership Interest. Any Owner or Class of Interests, at his or their expense, may retain qualified engineers or other experts to assist in determining the need (or lack of need) for any capital improvement or by the agreement of the majority of the Voting Members, such expense for engineers or other experts may be borne by the Association and assessed against all Ownership Interests. All Owners shall be sent written notice of any special Assessments, and the due date for the payment thereof shall be set by the Board, but in no event later than 30 days after notice is given.

9.11 Minimum Expenditure: Notwithstanding any contrary provision herein contained, the Board shall have the power and authority, in its sole and absolute discretion by exercising its reasonable business judgment, to expend up to \$5,000.00 for any single expenditure in excess of amounts set forth in approved budgets, without approval from the Voting Members, provided that any such expenditure is for purposes allowed under this Restated Declaration and Bylaws.

9.12 Rate of Payment: Both annual and special Assessments may be collected on an annual, monthly or any other basis that the Board determines and shall be paid to the Association.

9.13 Effect of Nonpayment of Assessments: Remedies of the Association: All sums assessed against any Ownership Interest (including the Vela Property), including the expenses and charges hereinafter set forth, shall be secured by a lien on such Ownership Interest and the associated Lot and/or Condominium Unit in favor of the Association. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within 30 days after the due date, the Assessment shall bear interest from the date of delinquency at the rate of 18% 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 Owner's Lot and/or Condominium Unit in the same manner in which mortgages on real property may be foreclosed in Colorado and all interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such Assessment. Any Owner of an Ownership Interest, Lot or Condominium Unit being foreclosed herein shall be required to pay all other Assessments becoming due against such Ownership

Interest, Lot or Condominium Unit during the period of foreclosure. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his, her, its or their interest in the Development. Such liens for Assessments herein shall be superior to all other liens and encumbrances on such Ownership Interests, except only for (i) valid tax and special Assessments liens on an Ownership Interest, Lot or Condominium Unit in favor of any government assessing authority.

To evidence a lien for the sum assessed pursuant to this Section, the Board may prepare a written notice of lien setting forth the amount of the Assessment, the due date, the amount remaining unpaid, the name of the Owner of the Ownership Interest, Lot or Condominium Unit and a description of such interest. Such notice shall be signed by the Board and may be recorded in the Official Records. No sale or transfer shall relieve such Ownership Interest, Lot or Condominium Unit from liability from any Assessments thereafter becoming due or from the lien thereof. A release of notice of lien shall be effected by the Board and recorded in the Official Records, upon payment of all sums secured by lien which has been made the subject of a recorded notice of lien.

9.14 Requirement of Full Payment Before Sale: The Association shall have and is hereby given power to require full payment of all sums then due to it from any Owner as a condition precedent to the transfer of any interest in a Lot or Condominium by such Owner.

9.15 Wrongful Acts of Owners: Notwithstanding anything to the contrary herein, if the Association shall incur any costs or expenses for or on account of any item of maintenance, repair or other matter directly or indirectly occasioned or made necessary by any wrongful or negligent act or omission of any resident or of any agent, employee, lessee, invitee or any Owner, such cost or expense shall not be borne by the Association but by such Owner, and if paid out by the Association, shall be paid or reimbursed to the Association by such Owner forthwith upon demand of the Association. Failure by any Owner to promptly pay and/or reimburse the Association for such costs or expenses shall entitle the Board, at its sole and absolute discretion, to assess such costs and/or expenses against the Owner's Lot or Condominium Unit as a Special Assessment.

9.16 Lien Superior to Homestead and Other Exemptions. An Assessment Lien shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said Assessment Lien.

9.17 Priority of Lien. An Assessment Lien is prior to all other liens and encumbrances on a Parcel and/or Unit except as follows:

9.17.1 Liens and encumbrances recorded before the recordation of this Declaration;

9.17.2 A security interest on the Parcel and/or Unit which has priority over all other security interests on the Parcel and/or Unit and which was recorded before the date on which the Assessment sought to be enforced became delinquent. An Assessment Lien is prior to the security interest described in the preceding sentence to the extent of an amount equal to the Regular Assessments (based on a Budget adopted by the Association pursuant to the Declaration) which would have become due, in the absence of any acceleration, during the six months immediately preceding institution by the Association or any party holding a lien senior to any part of the Association lien created under this Article 9 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien;

9.17.3 Liens for real estate taxes and other governmental Assessments or charges against the Parcel and Unit; and

9.17.4 As may otherwise be set forth in the Act. The priority of mechanics and materialmen's liens is not affected by the Act.

This Article 9 does not prohibit an action or suit to recover sums for which this Article 9 creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. Sale or transfer of any Parcel and/or Unit shall not affect the lien for an Assessment.

9.18 Reimbursement Assessments. In addition to the Regular and Special Assessments authorized hereunder, the Board may levy against any Owner or Owners, at any time and from time to time, a Reimbursement Assessment for purposes of reimbursing the Association for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of this Declaration, the Articles and Bylaws, or any Rules and Regulations, by such Owner or Owners, their Occupant(s), or their agents, employees or contractors. Reimbursement Assessments may also be made by the Board for any other purposes for which this Declaration provides for the levying of a Reimbursement Assessment. Finally, and in addition to the foregoing, a Reimbursement Assessment may also be levied in the form of a reasonable fine against an Owner for a violation of this Declaration, the Articles, Bylaws, or the Rules and Regulations, but only after the Owner(s) to be so fined have been provided with Notice and Hearing. Reimbursement Assessments shall be due and payable to the Association on the due date fixed by the Board in the notice given to the Owner(s) of such Reimbursement Assessment, which date shall be no earlier than 30 days after the giving of such notice.

9.19 Misconduct. If any Common Expenses or Limited Common Expenses are caused by the misconduct of any Owner, the Board may assess that expense exclusively against such Owner's Parcel or Unit.

ARTICLE X

Use Restrictions: Lots

10.1 Lot Restrictions. All Lots are hereby restricted to residential dwellings and related improvements, and shall be limited to residential and ancillary and accessory uses in connection therewith (including home office uses not involving retail or public on-site sales or related traffic-creating activities). No building or structure of a temporary character including, but not limited to, trailers, tents, shacks, barns or other out-buildings, shall be used or placed on any Lot at any

time as a residence, either temporarily or permanently. Lease or rental of a primary residence or Accessory Dwelling Unit for lodging or residential purposes shall not be considered to be a violation of this covenant. Only one Primary Residential Dwelling shall be constructed on any single family Residential Lot. Except with respect to the existing Accessory Dwelling Units located on Lots 2 and 6, the continued use of which as separate buildings shall be allowed to continue as "grandfathered" preexisting uses, all Accessory Dwelling Units must be attached to the Primary Residential Dwelling on the Lot and may not exist as detached structures. Further, the number of vehicles for all occupants, Owners and/or others using any Lot (including Lots 2 and 6) shall not exceed a total of four vehicles over any 48 hour period.

10.2 Animals, Pets and Livestock. No animal livestock or poultry of any kind shall be raised, bred or kept on any Lot or in any Condominium Unit, except for dogs, cats or other household pets for other than commercial purposes. All dogs shall be kept upon the Owner's premises, and when not within such premises shall be under the control of the Owner(s). No animals, including dogs, shall be permitted to roam at large. No animal, including dogs, shall be permitted to create a nuisance for any Owners.

10.3 Commercial Signage. Except that no more than one "For Rent" or "For Sale" sign of not more than five square feet may be maintained on any Lot, no advertising signs, billboards, objects of unsightly appearance or nuisance shall be erected, placed or permitted to remain on any Lot or Condominium Unit, nor shall any Owner do anything that might endanger the health or unreasonably disturb other Owners or residents of the Development. No commercial activities of any kind whatever that shall result in materially adverse increased traffic, utilities, trash or other Common Facilities impacts on the Development shall be conducted in any building or on any portion of the Development. Lease or rental of a Primary Residential Dwelling and/or Accessory Dwelling Unit for lodging or residential purposes shall not be considered to be a violation of this covenant and neither shall any home business/office or similar usage that does not increase traffic and/or otherwise violate any provisions of this Restated Declaration and Bylaws.

10.4 Structural Requirements. All buildings and structures on the Lots shall conform and comply with the setback front yard, side yard and back yard requirements, if any, as specifically set forth for each individual Lot on the Plats and specifically that plat recorded in the Official Records in Plat Book 1, Page No. 42. No residence shall be constructed on any Lot with less than 800 square feet of floor area.

10.5 Concealment of Miscellaneous Yard Items. All clotheslines, equipment, garbage cans, service yards, wood piles and storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring Lots, and other portions of the Development. All rubbish, trash and garbage shall be regularly removed from the Lots and Condominiums and shall not be allowed to accumulate therein. Each Owner shall be responsible for refuse removal.

10.6 Landscaping Requirements. No landscaping of a formal nature shall be permitted on any Lot, except any planting done or effected on any Lot shall conform with the existing vegetation and shall be indigenous thereto and in harmony therewith, provided non-indigenous planting may be done in areas such as courtyards or gardens immediately adjacent to the

residence. It is the intent of this covenant that all nonconstructed areas on any Lot shall be kept in their natural state and shall not contrast with the vegetation indigenous to the Development. No violation of this intent shall be permitted.

10.7 Tree Removal. Except in the case of emergencies or other necessity, no tree with a trunk diameter of four inches or more at three feet from the ground level shall be removed without the Board's prior permission pursuant to Article XII.

10.8 Irrigation. Irrigating by sprinklers or ditches shall be prohibited in all areas of Lots except courtyards, lawn areas and/or gardens adjacent to structures; provided, however, that all irrigation in the Development shall utilize to the greatest extent possible drip and/or other water efficient irrigation techniques and systems.

10.9 Toxic Disposal. In order to maintain the purity of the regional water supply aquifer and/or comply with any applicable regulatory and/or legal requirements, no disposal of toxic materials, such as paints, oils, insecticides, or herbicides in the central sewer system shall be permitted at any time or anywhere in the Development.

ARTICLE XI

Use Restrictions: Common Area

11.1 Animal Regulations. No animal of any kind shall be raised, bred or kept on the Common Area. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Common Area upon three days written notice from the Association to the Owner of the dwelling unit containing such pet. All pets shall be kept under the Owner's control while in and upon the Common Area.

11.2 Obstruction of Common Area. There shall be no obstruction of the Common Area except as specifically provided herein, nor shall anything be stored in the Common Area without the prior consent of the Board.

11.3 Enterprise Regulations. No industry, business or trade of any kind shall be conducted, maintained or permitted on any part of the Common Area, nor shall any "For Sale" or "For Rent" sign be maintained or permitted on any part thereof.

11.4 Public Nuisance. No nuisance, noxious or offensive activities shall be carried on in the Common Area, or on any Lot, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of the Development.

11.5 Common Area Vegetation. Nothing shall be done in or to the Common Area which would impair the vegetation or natural integrity and beauty of the Common Area.

ARTICLE XII
Architectural Control

No building, fence, wall or other structure shall be commenced, erected or maintained upon any Lot or Condominium Unit area, except as such are approved by the Board in connection with construction of residences, Accessory Dwelling Units or other approved improvements. Neither shall any exterior addition to or change or alteration be made to any structure until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing by the Board. The Board's review shall focus on ensuring the harmony of proposed structures as to external design and location in relation to surrounding structures and topography. In the event the Board fails to approve or disapprove such design and location within 30 days after said plans and specifications have been submitted by Owners, approval will not be required and the Board's consent will be deemed to have been fully granted with respect to the submitted materials.

ARTICLE XIII
Compatibility With Other Sharing Facilities

If there shall be from time to time areas or developments similar to and compatible with the Development situated and located conveniently near the Development, then the Association may elect to provide any service, work, structure, or facility which the Association is required or authorized herein to provide jointly or in common with such other area or development, including, without limitation, joint participation in Common Facilities or pursuant to such contractual and other arrangements as the Board shall deem appropriate.

ARTICLE XIV
Vela Property Special Rights

So long as there is an adequate and continuous water supply and reasonable capability of delivery, and so long as the Development continues to exist for the purposes intended herein, the Association shall supply water to the owners of the Vela Property on the same basis as to the Lots and Condominium Units. The foregoing rights are granted on the express understanding and precondition that (i) use of the Vela Property shall be restricted at all times to no more than two single family residences; and (ii) in consideration therefor, the Vela Property owners shall pay to the Association annually no less than the sum of \$.90 per 1,000 gallons per month of water so supplied, together with all reasonable charges for providing such service, with a minimum charge for 262.5 gallons per day (or \$7.09 per month), regardless of water use by the Vela Property owners. A meter shall be installed for the purposes herein, and statements itemizing the water usage and service herein, may, at the sole and absolute discretion of the Board, be provided to the Vela Property owners, with amounts owed becoming due and payable as determined by the Board. All unpaid charges for services rendered herein shall constitute a lien on the Vela Property and shall be enforceable as set forth in the same manner as Assessments pursuant to this Restated Declaration and Bylaws. Notwithstanding any provision herein to the contrary, the rate herein charged for water usage may be redetermined and increased at the sole and absolute discretion of the Board, to reflect changed market conditions. In that event, the Board shall provide the owners of the Vela Property written notice at least 30 days prior to the effective date of any such increase.

ARTICLE XV

Real Estate Transfer Assessment

15.1 **RETA Assessment.** There is hereby imposed a real property transfer Assessment (the "***RETA***") on all transfers - whether by deeds, instruments, writings or any other documents or otherwise - by which any Lot or Condominium Unit is sold, granted, let, assigned, transferred, exchanged or otherwise conveyed to or vested in a purchaser, or purchasers thereof, or any other Person or Persons (collectively, "***Purchasers***"), except as may be specifically exempted by this Article (a "***Transfer***"). RETA shall be due and payable at the time of any such Transfer, and contemporaneously therewith, as hereinafter specified.

15.2 **Transfers Subject to RETA.** Transfer, whether or not the same is in writing or is recorded, means and includes (a) any grant, assignment, transfer, exchange, conveyance or consummated sale of any ownership or title to a Lot or Condominium Unit; or (b) the leasing, letting, conveyance, assignment, transfer or consummated sale of a possessory interest in a Lot or Condominium Unit; subject to the exemptions provided in Section 15.4 below.

15.3 For purposes of Section 15.1, a Transfer subject to RETA shall also include a sale, conveyance, or transfer of a majority or controlling interest in a corporation, limited liability company, partnership, limited partnership, joint venture, trust or other association or organization where such organization or association owns a Lot or Condominium Unit, and the fair market value of that Lot or Condominium Unit represents more than one half of the total fair market value of all tangible assets of such entity, organization or association. RETA for such Transfers shall be based on the fair market value of the Lot or Condominium Unit at the time of transfer.

15.4 **RETA Calculations.** The amount of RETA payable for each Transfer shall be as follows:

15.4.1 Where there is no consideration or when consideration is \$500.00 or less, no RETA shall be payable.

15.4.2 Where the consideration shall exceed \$500.00, the RETA payable shall be equal to 1% of the consideration, or 1% of the fair market value of the Lot or Condominium Unit transferred, where fair market value is specified elsewhere in this Article as the basis for the RETA, whichever is more.

15.4.3 Where fair market value is the basis for a RETA, fair market value of the Lot or Condominium Unit shall be determined by the Board. A transferee may make written objection to the Board's determination of fair market value of a Lot or Condominium Unit within 15 days after the Board has given notice of such determination, in which event the Board shall have the right to require the transferee to provide a written appraisal, at the transferee's sole expense, from a certified real estate appraiser who is familiar with San Miguel County real estate values, and who shall be selected by the Board. The appraisal so obtained shall be binding on both the Association and the transferee. In the event a transferee fails to object to a determination of fair market value by the Board within 15 days following notice to the transferee

of such a determination, the transferee shall be deemed to have waived all right of objection concerning fair market value, and the Board's determination of such value shall be binding.

15.5 Exemptions from RETA. The RETA imposed by this Restated Declaration and Bylaws shall not apply to any of the following, except to the extent that the Board determines they are being used for the purpose of improperly avoiding the RETA:

15.5.1 Any Transfer wherein the United States, or any agency or instrumentality thereof, the State of Colorado, any county, city and county, municipality, district or other political subdivisions of this State, is either the grantor or the grantee, and any Transfer wherein the Association is the grantor or grantee, as long as such Transfer is made within the ordinary course of the Association's business, and excluding any Transfer by the Association, as grantor, of property obtained by the Association through the exercise of its right to foreclose any liens imposed pursuant to this Restated Declaration and Bylaws.

15.5.2 The Transfer of a Lot or Condominium Unit to an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, as amended, provided that the Board specifically approves such exemption in each particular case.

15.5.3 Any Transfer by document, decree or agreement partitioning, terminating or evidencing termination, of a joint tenancy, tenancy in common or other co-ownership in a Lot or Condominium Unit. However, if additional consideration of value is paid in connection with such partition or consideration or value is paid in connection with such partition or termination, the RETA shall apply and be based upon such additional consideration.

15.5.4 Any Transfer of title or change of interest in a Lot or Condominium Unit by reason of death, pursuant to a will, the law of descent and distribution, or otherwise.

15.5.5 Transfers made pursuant to reorganization, merger or consolidation of corporations, or by a subsidiary to a parent corporation for no consideration other than cancellation or surrender of the subsidiary's stock, or Transfers made to a corporation, limited liability company, partnership, limited partnership, joint venture, trust or other association or organization if that association or organization is owned by the Persons by whom such Transfer was made and such Owners have the same relative interest in said association or organization as they had in the Lot or Condominium Unit immediately prior to said Transfer and there is no consideration other than their respective interests in the new association or organization.

15.5.6 Any Transfer made and delivered without consideration for the purpose of confirming, correcting, modifying or supplementing a Transfer previously made; making minor boundary adjustments; removing clouds of titles; or granting rights-of-way, easements or licenses.

15.5.7 Any decree or order of a court of record quieting, determining or resting title, except for a decree of foreclosure, including a final order awarding title pursuant to a condemnation proceeding.

15.5.8 Any lease of any Lot or Condominium Unit (or assignment or Transfer or any interest in any such lease) provided the terms and conditions of such lease do not constitute a taxable lease of property, as defined in Section 15.2 above.

15.5.9 Transfers to secure a debt or other obligation, or releases other than by foreclosure of a Lot or Condominium Unit which is security for a debt or other obligation.

15.5.10 An executory contract for the sale of the Lot or Condominium Unit of less than three years' duration, under which the vendee is entitled to or does take possession thereof without acquiring title thereto, or any assignment or cancellation of any such contract.

15.5.11 A Transfer of title or any lesser interest for the purpose of obtaining financing, or in connection with the design, construction, maintenance or operation of improvements, not intended to effect a permanent alienation of the grantor's interest.

15.5.12 Transfers to spouses, natural children and adopted children.

15.5.13 Transfers made to a corporation, limited liability company, partnership, limited partnership, joint venture, trust or other association or organization to the extent that the transferee is owned by the transferor or the transferor is owned by the transferee.

15.5.14 Transfers to a trust if the donor(s) has/have the same relative interest in the trust as they had prior to the Transfer; or if there is no consideration other than love and affection or charitable donation. Transfers from such a trust conveying or releasing the Lot or Condominium Unit from the trust are also exempt where there is no consideration.

15.5.15 Any Transfer which fulfills all of the following three conditions:

15.5.15.1 The transferor obtained title to the Lot or Condominium Unit from the transferee.

15.5.15.2 The Transfer occurred pursuant to a written agreement entered into on or before the date of the deed which conveyed title from the transferee to the transferor. At a minimum the agreement shall either (a) allow the transferor to require the transferee to reacquire the Lot or Condominium Unit, or (b) allow the transferee to require the transferor to reconvey the Lot or Condominium Unit to the transferee.

15.5.15.3 The Transfer occurred on or before 365 days after the transferor obtained title from the transferee.

15.5.16 Any of the following Transfers related to foreclosures of security interests in a Lot or Condominium Unit:

15.5.16.1 A Transfer pursuant to purchase at a foreclosure sale, whereby the mortgagee under a first priority mortgage (or a qualifying assignee of such a mortgage who acquires rights under such mortgage in the ordinary course of business and prior to any default) or the beneficiary under a first priority deed of trust (or the qualifying assignee of such a

beneficiary who acquires rights under such deed of trust in the ordinary course of the assignee's business and prior to any default) takes title to a Lot or Condominium Unit. For purpose of this Section 16.5, a qualifying assignee shall be defined as and limited to a Person or entity whose ordinary and regular course of business prior to the Transfer involved acquisition and sale of promissory notes or indebtedness secured by mortgages or deeds of trust. Purchase at foreclosure sale by any Person or entity other than the mortgagee or deeds of trust. Purchase at foreclosure sale by any Person or entity other than the mortgagee under a first priority mortgage (or the qualifying assignee of such a mortgage) or the beneficiary under a first priority deed of trust (or the qualifying assignee of such a beneficiary) shall not be exempt from the RETA.

15.5.16.2 A Transfer by voluntary conveyance in lieu of foreclosure, whereby the mortgagee, under a first priority mortgage (or the qualifying assignee of such a mortgage who acquires rights under such mortgage in the ordinary course of the assignee's business) or a beneficiary under a first priority deed of trust (or the qualifying assignee of such a beneficiary who acquires rights under such deed of trust in the ordinary course of the assignee's business) takes title to a Lot or Condominium Unit. Such a Transfer shall be deemed a qualifying deed in lieu of foreclosure for purposes of this Section 16.5, provided that, the transferee submits a sworn affidavit to the Association, certifying that the owner of the Lot or Condominium Unit to be transferred is in default of the obligation which is secured by the Lot or Condominium Unit and that no consideration, other than the forgiveness of the obligation which is secured by the Lot or Condominium Unit, is being given for the Transfer. No other conveyances in lieu of foreclosure shall be exempt from the RETA.

15.5.16.3 Redemption from foreclosure by the Owner shall be exempt from the RETA. Redemption from foreclosure sale by any Person or entity other than the Owner of the Lot or Condominium Unit subject to foreclosure shall not be exempt from the RETA.

15.5.17 Transfers pursuant to a decree of separation or divorce.

15.5.18 Transfers to intermediaries for no consideration for a period not to exceed six months, where such Transfer is for lawful and legitimate business purposes, and provided the Board specifically approves such exemption in each particular case.

15.6 Purchaser Liability. Each Purchaser and any other person and persons to whom a Transfer is made, which Transfer is subject to RETA shall be jointly and severally liable for payment of the RETA. The Purchaser or person to whom a Transfer is made shall remit the RETA to the Association.

15.7 Request for Exemptions. In the event of a Transfer claimed to be exempt from the RETA herein imposed, the grantor or Purchaser shall apply for and attempt to obtain from the Association a Certificate of Exemption, which may be affixed to the deed or other instrument of Transfer. Any request for an exemption shall be in writing and shall identify the Section under which the exemption is claimed, and shall include a complete and accurate written description of the Transfer, including a true and complete statement of the actual consideration for the Transfer, the names of the parties thereto, the legal description of the Lot or Condominium Unit, and shall also include any other documentation regarding the Transfer which the Board may request. The burden of proving any exemption shall, in all cases, be upon

the Person claiming it, and the Board's determination as to whether a Transfer falls within any of the exemptions provided above shall be final. The Board shall assess the RETA on all Transfers except those falling specifically within the exemptions set forth above.

15.8 RETA Limited to Transferred Lot or Condominium Unit. When a Transfer subject to this Article includes a Lot or Condominium Unit, the RETA imposed under the authority of this Restated Declaration and Bylaws shall be computed only with respect to the Lot or Condominium Unit and the RETA shall be assessed based on that part of the consideration fairly attributable to such Lot or Condominium Unit.

15.9 Delinquent RETA Payments. The RETA imposed herein is due and payable at the time of the Transfer of any interest in a Lot or Condominium Unit and shall be delinquent if not paid at that time. In the event that the RETA becomes delinquent, a delinquency penalty of 18% of the amount of the RETA shall be imposed. In the event a portion of the RETA becomes delinquent, the penalty shall only be imposed on that portion which is delinquent. In addition, interest shall accrue at the rate of 1.5% per month, or fraction thereof, on the amount of the RETA, exclusive of penalties, from the date RETA becomes delinquent to the date of payment. Penalties and interest accrued shall become part of the RETA.

15.10 Partial Invalidity. In the event any portion of this Article is held to be invalid by a court of competent jurisdiction, then the invalid portion shall be deemed to be removed from this Article and all remaining portions of this Article shall remain in full force and effect.

15.11 Allowed RETA Uses. At the Board's sole and absolute discretion, RETA proceeds may be used to fund expenditures and/or reserves for: (1) capital improvements; (2) major repairs not reflected in current budgets; (3) necessary but unforeseen expenditures to maintain any Common Areas and/or Common Facilities; and/or (4) approved expenditures and/or debt reduction. The foregoing notwithstanding, no RETA proceeds shall be used for any purposes other than the foregoing without the prior approval by 67% of the Voting Members.

ARTICLE XVI

General Provisions

16.1 Enforcement: The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Restated Declaration and Bylaws. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event of any enforcement action, the prevailing party shall be entitled to recover all costs and expenses incurred in connection therewith including, without limitation, reasonable attorney fees and costs and all costs of collection and/or appeal.

16.2 Severability: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

16.3 Amendments: The covenants, conditions, restrictions and easements of this Restated Declaration and Bylaws shall run with and bind the land, the Development and all Lots, Condominiums and Common Areas and shall inure to the benefit and be enforceable by the Association or any Owner as well as their respective legal representatives, successors, heirs and assigns. This Restated Declaration and Bylaws may be amended only by prior approval of 67% of the Voting Members. Such amendment may be effected by an instrument in writing setting forth such amendment, signed and acknowledged by the President and certifying that approval has been obtained from both the Board and at least 67% of the Voting Members. All other provisions of this Restated Declaration and Bylaws may be amended by an instrument in writing signed and acknowledged by the President and certifying that such amendment was approved by the Board. All amendments herein made shall be duly recorded in the Official Records. Notwithstanding any provision herein to the contrary, no amendment shall be made or effected that is (i) discriminatory against the rights of the various categories of Owners, Classes of Interests and/or Ownership Interests or (ii) contrary to the laws of the State of Colorado.

16.4 Conflicts: In the case of any conflict between the Articles and this Restated Declaration and Bylaws, this Restated Declaration and Bylaws shall control. In the case of any conflict between any Plat and/or the Plats, this Restated Declaration and Bylaws shall control.

16.5 Perpetuities: If any of the privileges, covenants or rights created by this Restated Declaration and Bylaws would otherwise be unlawful or void for violation of (i) The rule against perpetuities or some analogous statutory provision; (ii) The rule restricting restraints or alienation; or (iii) Any other statutory or common law rules imposing time limits, then such provision shall continue only until 21 years after the death of the living lawful descendants of the incumbent Vice President of the United States of America and the incumbent Governor of the State of Colorado.

16.6 Covenants Running with the Land: All Lots, Condominium Units and any other portions of the Development shall be held, sold and conveyed subject to the covenants, conditions, restrictions, easements and rights contained herein, all of which are set forth for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development. The covenants, conditions, restrictions, easements and other terms contained in this Restated Declaration and Bylaws shall run with the Development and all Lots, Condominium Units and Common Areas, as part of a general plan of development and shall be binding on all persons or parties having or acquiring any right, title or interest in or to any Lot, Condominium Units, Common Areas, or any other portion of the Development, or any part thereof, and shall inure to the benefit of each Owner and that Owner's Lot and/or Condominium Unit(s).

16.7 Covenants Binding on All Parties. All covenants, conditions, restrictions, easements and rights described herein shall be perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on all Owners, purchasers, mortgagees and other persons having any interest in the Development (including the Common Area), or any portion thereof, as well as respective successors, heirs and assigns. Reference in any deed of conveyance or in any mortgage or deed of trust or other evidence of obligation to the easements and rights described in this Restated Declaration and Bylaws, shall be sufficient to create and reserve such covenants, conditions, restrictions, easements and rights to the respective grantees,

mortgagees and trustees of such properties as fully and completely as though these were recited fully and set forth in their entirety in such documents.

16.8 Conflicts with Condominium Controlling Documents. Notwithstanding any provision contained herein, in the event of any inconsistency or discrepancy between the terms of this Restated Declaration and Bylaws and any declaration and/or map pertaining to the Condominiums, all such inconsistencies or discrepancies shall be resolved by and between the Association, the Board, and the Condominiums Association; provided, however, that no resolution of such inconsistency or discrepancy shall be contrary to the Act or any law of the State of Colorado.

16.9 Compliance with CCIOA. To the extent, if any, that the provisions of the Colorado Common Interest Ownership Act, C.R.S. Sections 38-33.3-101 et seq. ("CCIOA") as amended from time-to-time, should apply to the Development, then the provisions of CCIOA shall control, in the event of any conflicts between such CCIOA provisions and anything contained in this Restated Declaration and Bylaws.

IN WITNESS WHEREOF, the undersigned, being Officers of the Association, do hereby certify that this Restated Declaration and Bylaws was duly approved for adoption by written consents granted and delivered by no less than 67% of the Owners, effective as of the Effective Date.

LAST DOLLAR P.U.D. ASSOCIATION, a Colorado not-for-profit corporation

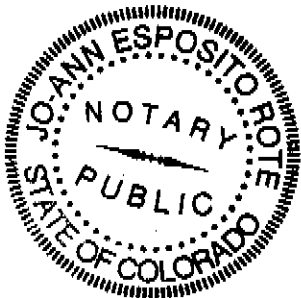
By Doug Tuelker
Name: Doug Tuelker, President and Director

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing was acknowledged before me this 6th day of JUNE 2006 by Douglas R. Tuelker as President and Director of Last Dollar P.U.D. Association.

My commission expires: 8-28-08
WITNESS my hand and official seal.

Jo Ann Esposito Rote
Notary Public



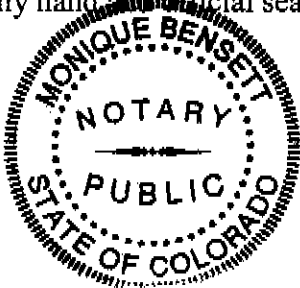
By Michael J. Osborne
 Name: MICHAEL J. OSBORNE, Vice-President and Director

STATE OF COLORADO)
) ss.
 COUNTY OF SAN MIGUEL)

The foregoing was acknowledged before me this 9th day of June 2006 by Michael Osborne, as Vice-President and a Director of Last Dollar P.U.D. Association.

My commission expires: 2-22-09
 WITNESS my hand and official seal.

Monique Benett
 Notary Public



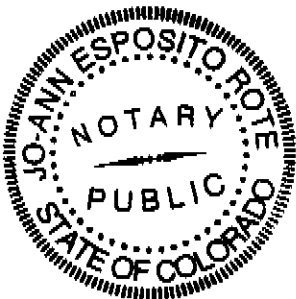
By Steven Wilson
 Name: STEVEN WILSON, Treasurer and Director

STATE OF COLORADO)
) ss.
 COUNTY OF SAN MIGUEL)

The foregoing was acknowledged before me this 6th day of June 2006 by Steven Wilson, as Treasurer and a Director of Last Dollar P.U.D. Association.

My commission expires: 8-28-08
 WITNESS my hand and official seal.

Jo Ann Esposito Rote
 Notary Public



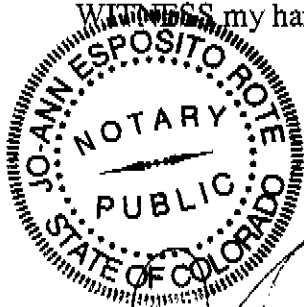
By [Signature]
Name: WILLIAM BURGESS, Director

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing was acknowledged before me this 8th day of JUNE 2006 by William Burgess, as a Director of Last Dollar P.U.D. Association.

My commission expires: 8-28-08
WITNESS my hand and official seal.

[Signature]
Notary Public



By [Signature]
Name: JOSEPH C. MACECKI, Secretary and Director

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing was acknowledged before me this 14th day of June 2006 by Joseph C. Macecki, Secretary and a Director of Last Dollar P.U.D. Association.

My commission expires: 2-22-09
WITNESS my hand and official seal.

[Signature]
Notary Public

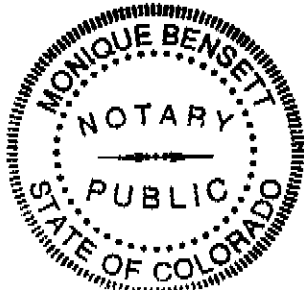


Exhibit "A"
(to Last Dollar P.U.D. Restated Declaration and Bylaws)

	Lots And/or Condominiums	Voting Rights	Attributed Densities	Ownership Interest %
WEST LOTS:				
	1	1	3.5	3.398%
	1A	1	3.5	3.398%
	2*	1	3.5	3.398%
	2A	1	3.5	3.398%
	3	1	3.5	3.398%
	4	1	3.5	3.398%
	5*	1	3.5	3.398%
	6	1	3.5	3.398%
	7	1	3.5	3.398%
	8	1	3.5	3.398%
	9	1	3.5	3.398%
	10	1	3.5	3.398%
	11*	1	3.5	3.398%
Total for West Lots		13	45.5	44.174%
CONDOMINIUMS:				
(on Lot 3A)	5B	1	3.0	2.913%
	6B	1	3.0	2.913%
	7B	1	3.0	2.913%
	8B	1	3.0	2.913%
	13D	1	3.0	2.913%
	14D	1	3.0	2.913%
	15D	1	3.0	2.913%
	16D	1	3.0	2.913%
		8	24	23.304%
EAST LOTS:				
	1B	1	4.0	3.884%
	2B	1	4.0	3.884%
	3B	1	4.0	3.884%
	4B	1	4.0	3.884%
	5B	1	4.0	3.884%
	6B	1	4.0	3.884%
	7B	1	4.0	3.884%
	8B	1	4.0	3.884%
		8	32	31.072%
Total Lots/Condominiums:		29	101.5	98.545%
ACCESSORY DWELLING UNITS:*				
	ADU West Lot 2*	0	.5	0.485%
	ADU West Lot 6*	0	.5	0.485%
	ADU West Lot 11*	0	.5	0.485%
	Vela Property	0	0	0.000%
Total Accessory Dwelling Units:			1.5	1.455%
Total Lots/Condominiums/Accessory Dwelling Units		29	103.0	100.00%

* Note: As of the Effective Date, West Lot 2 is owned by [Pete Wagner], West Lot 5 is owned by [McDowell] and West Lot 11 is owned by [Kamin]. As of the Effective Date, the Accessory Dwelling Units for each of these lots shall be allocated .5 Attributed Densities, thereby resulting in an assessment at the reduced rate of .485%, to result in an "effective" Ownership Interest Percentage of 3.883% for each lot, or the same percentage as that applied to the East Lots (each with 4.0 Attributed Densities). This reduced rate shall continue for each of these lots, until such time as beneficial ownership shall change, at which time the Accessory Dwelling Unit for that lot shall be treated as a standard Accessory Dwelling Unit, with 1.0 Attributed Densities, thereby resulting in the Ownership Interest Percentages for the P.U.D., and Assessments levied on each lot and Condominium, being adjusted accordingly. At such time as that shall occur, the change shall further be reflected by an amendment to this Exhibit "A" (though any failure or delay in effecting that amendment shall not limit or diminish the Association's rights to levy and collect Assessments on the basis of the adjusted Ownership Interests, and neither shall any such failure or delay limit or excuse any Owner(s) liabilities for such Assessments or the associated continuing lien on the assessed lot).