

K & B DEVELOPMENT LLC

***816 East 57th Street
Loveland, CO 80538
(970) 667-0770***

Welcome to Meadowbrook Heights Second Subdivision!

Enclosed you will find a copy of the Meadowbrook Heights Second Subdivision Covenants, BY-Laws of the Homeowners Association and a sketch of the privacy fence that will separate Meadowbrook Heights and Marianna Glen Subdivisions.

The privacy fence is a maintenance responsibility of the Marianna Glen and the Meadowbrook H.O.A.'s. Marianna Glen will be painting their side of the fence white; the Meadowbrook side will remain the natural cedar color.

The H.O.A. dues are \$100.00 a year, payable June 1 (\$50.00) and December 1 (\$50.00) of each year. You will be billed approximately 30 days prior to the due date. The purpose of the \$100.00 a year dues is for the maintenance of the fence, the open space and green belt areas related to Meadowbrook Heights Second Subdivision.

Please contact Don and Wanda Keirns at 667-0770 or Ron and Kathy Beadell at 663-7700 for any questions or concerns you may have.

AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR MEADOWBROOK
HEIGHTS SUBDIVISION

Article I. Definitions

Section 5: Land Use and Building Type. One building may be placed on any lot other than (1) single-family residence per lot, with attached garage, wooden shed only, not metal, same color as house, same shingles as house; A playhouse may be erected with the same color as the house, a wooden structure only.

Article II. Architectural Control

Section 14: Antennas. Small antennas will be permitted on the outside of the house. A small satellite dish of approximately 12'' in diameter will be permitted on the dwelling. All antennas and satellite dishes need to be approved by the Architectural Control Committee.

ATTEST:
By: Donald D. Keirns
Donald D. Keirns

By: Wanda D. Keirns
Wanda D. Keirns

ATTEST:
By: Kathryn M. Beadell
Kathryn M. Beadell

By: Ronald G. Beadell
Ronald G. Beadell

Witness my hand and official seal.
My commission expires: 7-21-98

Wanda D. Keirns
Notary Public

After Recording Please Return To:
Keirns Construction Co.
816 E. 57th St.
Loveland, Co. 80537

CR 14-12-1

**DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.
(A COMMON INTEREST LIMITED EXPENSE PLANNED COMMUNITY)**

*Taxpayer ID
84-1343460*

Recitals:

A. Declarant is the owner of all property depicted on the Meadowbrook Heights Second Subdivision Plat (the "Subdivision Plat") recorded in the records of the Clerk and Recorder, Larimer County, Colorado, a subdivision in the City of Loveland, County of Larimer, State of Colorado (the "Property").

B. The Property is subject to this Declaration.

C. Declarant desires to create a common interest limited expense planned community pursuant to the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as it may be amended from time to time (the "Act"), in which portions of the Property will be designated for separate ownership and the remainder of which will be owned by the Association, as defined herein, provided; however, that such common ownership community shall constitute a limited expense planned community, as provided in C.R.S. § 38-33.3-116, as amended from time to time, and, as provided by the Act, shall be subject only to C.R.S. § 38-33.3-105, § 38-33.3-106, and § 38-33.3-107 of the Act. Other provisions of the Act shall be inapplicable to the Property and this Declaration.

SUBMISSION OF REAL ESTATE

Declarant hereby declares that, in addition to all applicable governmental laws and ordinances, the following terms, covenants, conditions, easements, liens, reservations, restrictions, uses, locations, and obligations are adopted and shall be deemed to run with the land, and shall be burden and benefit to any person or persons acquiring or owning an interest in the Property and any improvements thereon, their grantees, successors, heirs, personal representatives, administrators, devisees, transferees, or assigns.

ARTICLE I

1. DEFINITIONS.

Section A. "Association" shall mean and refer to the Meadowbrook Heights Second Subdivision Homeowners Association, Inc., a Colorado Nonprofit Corporation, its successors and assigns. Members of the Association shall be the Owners of Lots as hereinafter defined and as described in the Bylaws of the Association.

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

Section C. "Property" or "Meadowbrook Heights Second Subdivision" shall mean and refer to that certain real property herein before described and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation, or otherwise.

Section D. "Common Elements" shall mean and refer to all real property owned or controlled by the Association for the common use and enjoyment of the Owners, and shall include Tracts A, B, C, D, E, F, and G as depicted on the Subdivision Plat. Common Elements shall include the utility, drainage, postal, landscape, and pedestrian easements as depicted on the Subdivision Plat. "Common Elements" shall also mean the west fence and the fence easement bordering Mariana Glen Subdivision. The Common Elements may also be referred to as "Common Area."

Section E. "Easements" shall mean and refer to all easements shown on the recorded plat of Meadowbrook Heights Second Subdivision.

Section F. "Lot" shall mean and refer to any plot of land shown on any recorded subdivision plat of the Property, together with any improvements thereon, with the exception of the Common Elements.

Section G. "Architectural Review Committee" shall mean and refer to the Architectural Review Committee hereinafter further defined and organized.

Section H. "Common Expenses" shall mean and refer to maintenance, insurance, taxes, repair, operations, management and administration expenses, legal and accounting expenses, and other expenses declared by the provisions of the Declaration and by the Bylaws and Articles of Incorporation of the Association to be Common Expenses, and all sums lawfully assessed against the Common Elements by the Association. Common Expenses shall include, without limitation, the cost to irrigate and maintain all landscaping to the Common Elements, and maintenance of all signage and lighting for the entryway to the Subdivision.

Section I. "Fence Easement" shall mean and refer to the easement granted pursuant to, and described in Article VI (3).

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ARTICLE II

1. LIMITED EXPENSE PLANNED COMMUNITY.

The annual average Common Expense liability of each Lot restricted to residential purposes, exclusive of option user fees and any insurance premiums paid by the Association, may in no event exceed \$300 (or such greater amounts as may in the future be provided under the Act with respect to the existence of limited expense planned communities), and the Property in this Declaration is subject only to C.R.S. § 38-33.3-105, § 38-33.3-106, and § 38-33.3-107 of the Act, as amended from time to time, which provisions are hereby incorporated into this Declaration.

ARTICLE III

1. ASSOCIATION.

Section A. Authority. The business and affairs of the Common Interest Community shall be managed by the Association. The Association shall be governed by its Bylaws as amended from time to time.

Section B. Powers. The Association shall have all of the powers, authority, and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Common Interest Limited Expense Community. The Association may assign its future income, including its rights to receive the Common Expense Assessments, only by the affirmative vote of the 57 Lot Owners.

Section C. Declarant Control. The Declarant, or persons designated by it, may appoint and remove the officers and members of the Executive Board of the Association for a period of three (3) years after this Declaration is recorded in the office of the Clerk and Recorder of Larimer County, Colorado. The period of Declarant control as herein set forth is subject to the limitations of § 38-33.3-303(5) of the Act.

ARTICLE IV

1. OWNERS' RIGHTS.

Section A. Owners' Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (1) The right of the Association to charge reasonable fees and assessments for maintenance of Common Elements.

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(2) The right of the Association to suspend the voting rights and right to use of the Common Elements by an Owner for any period during which any assessment or lien against the Owner's Lot remains unpaid.

(3) The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by a majority of the members of the Association.

Section B. Association Rules and Regulations. The Association shall have the right and power, through its Executive Board, to adopt such rules and regulations as it, in its sound discretion, shall determine from time to time to regulate and govern the use of the Common Elements.

ARTICLE V

1. ADMINISTRATION.

The administration of the Property by the Association shall be governed by this Declaration, and the Articles of Incorporation and Bylaws of the Association.

2. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS.

Section A. Every Owner of a Lot shall become a member of the Association upon acquisition of the Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Membership shall pass by operation of law upon the sale of any Lot, which sale may be by deed or by installment land contract ("contract for deed").

Section B. The Association shall have one (1) class of voting members. Each Lot shall be allocated one (1) vote in the Association as more fully made and provided in the Bylaws of the Association. When more than one person or entity owns an interest in a Lot, all such persons or entities shall be members of the Association. The vote for such Lot shall be exercised as the Owners thereof among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one Lot.

ARTICLE VI

1. COVENANT FOR MAINTENANCE RESPONSIBILITIES.

Section A. Covenant for Maintenance of Common Elements. The Association will provide for the maintenance of the Common Elements. Declarant shall have, in its sole discretion, control of when landscaping to the Common Elements is to be commenced and

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completed except, however, all landscaping shall be concluded within two (2) years from the date of the recording of this Declaration.

Section B. Insurance. The Association shall maintain such insurance coverage as a Common Expense as it, in its sole discretion, shall determine from time to time.

2. DELEGATION OF RESPONSIBILITIES.

Section A. Delegation. The Executive Board of the Association may from time to time enter into such management agreements or arrangements with such persons, firms, or corporations as it shall so elect to perform the duties of the Association and shall pay such compensation for such services as it, in its sole discretion, shall so determine. Subject to the right of the Declarant to appoint the members of the Architectural Review Committee, the Executive Board of the Association shall appoint on an annual basis, an Architectural Review Committee which will perform the functions hereinafter described. The Executive Board may appoint other committees to assist the Association in the performance of the Association's duties.

3. FENCE EASEMENT.

The Association is hereby granted a one-foot wide perpetual easement for the erection of fencing together with a three-foot easement for the maintenance and repair of said fence over that portion of each Lot located on the perimeter of the property, including Lots 6, 7, and 8, Block 1; Lots 1, 2, 3, 4, 5, and 6, Block 2; Lots 1 through and including Lot 12 and Lots 27 through and including Lot 42, Block 3; and Lots 9 through and including Lot 16, Block 4.

Fences may be constructed, repaired, and maintained within easements shown on the Subdivision Plat for landscaping.

The Association may, in its sole discretion, erect and maintain a fence or fences within all or portions of the fence easement, or the landscape easement, as a common expense. The fence easement shall be binding upon the Owners of said Lots, their successors in interest and assigns, and shall constitute a covenant running with the land. The Association shall have the right to assign all or a portion of its rights with respect to the fence easement.

ARTICLE VII

1. ASSESSMENT FOR COMMON EXPENSES.

Section A. Personal Obligation of Owners for Assessments. Each owner for any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the estimated Common Expenses attributable to the Property. Assessments for the estimated Common Expenses shall be due monthly or at such

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other intervals as may be set by the Association from time to time. The Association shall prepare and deliver by mail to each member at such intervals as may be set by the Association from time to time, a statement for the estimated Common Expenses.

Section B. Amount of Assessments. Assessments made for the Common Expenses shall be based on the cash requirements deemed to be the aggregate sum the Association shall, from time to time, determine is to be paid by the Owners, to provide for payment of all estimated expenses growing out of or connected with the maintenance or operation of the Common Elements, which sum may include, among other things, Common Expenses, expenses for management, taxes and special assessments, casualty and public liability and other insurance premiums, landscaping and care of grounds, common lighting, repairs, and renovations, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, the payment of any deficit remaining from a previous period, and the creation of a reasonable contingency or other reserve, sinking, or surplus fund, as well as other costs and expenses related to the Common Elements. In no event shall the annual average Common Expense liability of each Lot restricted to residential purposes, exclusive of optional user fees and any insurance premiums paid by the Association, exceed \$300 or such greater amounts as may in the future be provided under the Act in connection with the existence of limited expense planned communities.

Section C. Notice of Assessments. The Executive Board of the Association shall fix the amount of the assessment to be made against each Owner at least thirty (30) days in advance of the assessment period. The due date shall be established by the Executive Board and set forth in the notice of the assessment.

2. DESTRUCTION OF COMMON ELEMENTS.

If the Common Elements or a portion thereof is destroyed by fire or other casualty, the Executive Board may replace or repair the Common Elements if the Executive Board determines that such replacement or repair is in the best interests of the Owners of the Property.

ARTICLE VIII

1. LIEN FOR NONPAYMENT OF ASSESSMENTS.

Section A. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner shall be allocated a fraction of the total Common Expense, which fraction shall have as its numerator the number of Lots owned by each Owner, and the denominator of which shall be the total number of Lots in the Property. Each Owner shall pay the Owner's proportionate share of the Common Expenses and expenses of administration, maintenance, and repair of the Common Elements and any other expenses set forth in this Declaration, or lawfully assessed by the Association. Payment thereof shall be in such amounts and at such

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times as may be determined by the Association. If any Owner shall fail to make any such payments of the Common Expenses when due, the amount thereof, including late charges and interest, shall perfected a lien against the Lot of the Owner together with the Owner's interest in the Common Elements and upon the recording of notice thereof by the Association, such liens shall be constituted upon such Owner's interest in said Lot prior to all other liens and encumbrances, recorded or unrecorded, except: (a) Taxes or special assessments theretofore or thereafter levied by any political subdivision or municipal corporation of this state, and other state or federal taxes which by law a lien on the interest of such Owner is prior to pre-existing recorded encumbrances; and (b) all unpaid obligatory sums as may be provided by a recorded encumbrance, including additional advances made thereon prior to the arising of such Common Elements assessment lien.

Section B. Evidence of Lien. To evidence such lien for unpaid assessments, the Association shall prepare a written notice setting forth the amount, the name of the Owner of the Lot, and a description of the Lot. Such notice shall be signed on behalf of the Association by an officer of the Association and shall be recorded in the office of the Clerk and Recorder of the County of Larimer. Such lien may be enforced by the foreclosure by the Association of the defaulting Owner's Lot in like manner as mortgages on real property. The lien for Common Elements assessment shall be in favor of the Association. In any such foreclosure, the Owner shall be required to pay all the costs and expenses of such proceedings; the costs, expenses, and all reasonable attorney's fees in connection with such foreclosure; and all such unpaid amounts, including late charges and interest. These amounts shall constitute a lien on the Lot of the Owner together with the Owner's interest in the Common Elements and shall have the same priority, and shall be documented, evidenced, attached, enforced, and accompanied by the same benefits as the lien for nonpayment of assessments herein described. The Owner shall also be required to pay to the Association all assessments during the period of the foreclosure, and the Association, on behalf of the members, shall have the power to bid on the Lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. The Association shall send to each first mortgagee a copy of the notice of lien provided for herein. Any encumbrances holding a lien on a Lot may, but shall not be required to, pay any unpaid Common Expenses payable with respect thereto; and upon such payment, such encumbrances shall have a lien on such Lot for the amounts paid of the same rank as the lien of his or its encumbrance.

ARTICLE IX

1. OWNER'S OBLIGATION FOR PAYMENT OF ASSESSMENTS.

Section A. Personal Obligation to Pay Assessments. The amount of expenses assessed by the Association against each Owner shall be the personal and individual debt of the Owner at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. No Owner may exempt himself or itself from liability for his or its contribution.

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toward the Common Expense by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of the Lot of the Owner.

Section B. Liability of Grantee. The grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his or its proportionate share of expenses up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid to the grantee therefore; provided, however, that upon payment of a reasonable fee not to exceed twenty dollars (\$20) and upon written request, and such prospective grantees shall be entitled to a statement from the Association setting forth the amount of unpaid assessments, if any with respect to the subject Lot, the amount of the current assessments and the period that it covers, and the date the assessment comes due, credit for advance payments or for prepaid items which shall be conclusive upon the Association. If a statement of indebtedness is not sent by the Association to the prospective grantee within twenty (20) days of such request, such grantee shall not be liable for, nor shall the Lot, if conveyed to the grantee, be subject to a lien for any unpaid assessments against the subject Lot.

ARTICLE X

1. LAND USE AND BUILDING TYPE.

No Lot shall be used except for single-family residential purposes, although Owners may use their residences for in-home businesses if: (i) Consistent with applicable governmental zoning ordinances; (ii) traffic is not unreasonably increased in the subdivision; and (iii) if such use is approved in advance by the Architectural Review Committee, in its sole discretion; provided, further, that the Architectural Review Committee can revoke such use in its discretion at any time. Except as provided in Article X, 4, Section A, no building shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling of a height, size, and location as approved in the sole discretion of the Architectural Review Committee.

2. MINIMUM SQUARE FOOTAGE.

No dwelling shall be erected, altered, or permitted to remain on any Lot unless the finished floor space area thereof, exclusive of basement, open porches, garages, and attached out-buildings, and based on exterior measurements, shall not be less than:

- a. 1,100 square feet for a one-story dwelling;
- b. 1,400 square feet for more than a one-story dwelling.

3. BUILDING LOCATION AND SET-BACK REQUIREMENTS.

The location and set-back of each building on any Lot shall be determined in the sole discretion of the Architectural Review Committee, which set-back and location restrictions and limitations shall be at least consistent with all applicable governmental zoning ordinances, subdivision regulations, and building codes. The Architectural Review Committee may, in its sole discretion, require and enforce varied and more restrictive set-back and location requirements with respect to the various Lots located in the Meadowbrook Heights Second Subdivision. No portion of any improvement or building on a Lot may encroach upon another Lot.

4. OTHER PROVISIONS RELATING TO THE CONSTRUCTION OF IMPROVEMENTS.

Section A. Garages and Storage Sheds. Only one detached garage, storage shed, garden house, or other building shall be constructed on any Lot. The Architectural Review Committee shall have sole discretion on design, location, and color of additional buildings.

Section B. Exterior Dwelling Roofs. All roofs must be approved by the Architectural Review Committee and, unless otherwise approved by the Architectural Review Committee, in its sole discretion, all exterior dwelling roofs shall be, at a minimum, a 25-year warranty fiberglass shingled roof, Tamko Heritage II, weathered wood in color.

Section C. Sanitation and Appearance of Lots During Construction. During the construction of a dwelling on a Lot, the Owner of such Lot is responsible for ensuring that the Owner or Owner's builders: (i) Provide a portable toilet at the construction site; (ii) provide suitable receptacles for construction waste; (iii) do not deposit excess concrete, building materials, and waste on the Common Elements, adjacent Lots, ditches, or on the Roads and Easements, and that all such materials are appropriately removed from the Property by at least the time the construction of the dwelling is complete; and (iv) pay for and repair any damage to Common Elements, Roads and Easements, Drainage ways, or any other portion of the Property occurring during the construction of the dwelling.

Section D. Architectural Design. The overall building design, including, but not limited to, exterior materials and colors and solar energy systems, shall be subject to the approval of the Architectural Review Committee, in its sole discretion. Each Lot Owner shall select a neutral color from among those colors displayed on a color board ("Color Board") approved by and made available to Owner by the Architectural Review Committee, which can be changed at the discretion of the Architectural Review Committee.

Section E. Site Planning. Overall site planning and grading of each Lot shall be subject to the approval of the Architectural Review Committee, in its sole discretion.

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Section F. Construction. Construction of a Residence or other structure approved by the Architectural Review Committee shall commence within three (3) months after approval of the plans and specifications, and the Owner shall thereafter proceed diligently with such construction. The exterior of any such structure shall be completed within six (6) months of the date of commencement of construction. The Architectural Review Committee may grant an extension of the foregoing time period for good cause and when such extension is requested by the Owner. Upon approval of plans and specifications for the construction of a Residence on a Lot, the Owner of the Lot shall deliver to the Declarant an amount equal to Two Hundred Fifty Dollars (\$250) to be held by the Declarant as a clean-up deposit ("the Deposit"). The Deposit shall be returned to the Owner within thirty (30) days after the Residence has been completed and all excess debris removed from the Lot. However, if the exterior of the Residence is not completed within six (6) months after the date of commencement of construction, the Owner shall forfeit the Deposit. If the Residence is completed within six (6) months of commencement of construction, but all excess debris has not been removed from the Lot within such time period, then the Architectural Review Committee shall have the right, but not the obligation, to enter upon the Lot and remove such excess debris and deduct the cost of such removal from the Deposit. The balance of the Deposit, if any, shall be returned to the Owner within thirty (30) days after all excess debris has been removed from the Lot. The deposit will be forfeited unless the Owner makes a written request for the return of the balance of the Deposit from the developer within six (6) months after completion of Owner's home.

Section G. Sidewalk Construction by Lot Owners. Each Lot Owner, other than Declarant, who initially constructs a residence on a Lot, shall at said Owner's sole expense, shall be responsible for the construction and maintenance of the sidewalks along the street front of each Lot.

Section H. Area Maintenance by Lot Owners. All property Owners are responsible for maintaining the area between their property boundary and the edge of the pavement along their Lot, including the maintenance of the street trees.

Section I. Fence Heights. Owners of Lots that are adjacent to the public walkways shown on the plat shall have a maximum fence height of four (4) feet along the pedestrian easements.

The maximum fence height along Wilson Avenue is five (5) feet high.

Section J. Corner Lot Fence Restrictions. There shall be no stockade fences on the following Lots:

Lots 1 and 8, Block 1; and Lots 1 and 12, Block 2 off of Fifth Street SW and Amelia (was Rhonda Court) and Dana Court;

Lot 1, Block 3; and Lot 16, Block 4 off of Kathryn Drive.

The fences shall be designed in accordance with the City of Loveland's Site Distance Triangle Guide.

Section K. Pedestrian Traffic. Pedestrian traffic may occur on public walkway as the result of public access.

5. PERMITTED USES.

No noxious or offensive activity shall be carried on upon any Lot, nor may anything be done which may become an unreasonable nuisance or annoyance to the Property or other Owners. No Lot shall be used as a parking or storage area for vehicles or materials of any kind, other than personally owned automobiles of the Owner, and except for a reasonable term while a structure on said Lot is under construction. No Lot or other portion of the Property shall be used by an Owner as a parking or storage area for personally owned automobiles intended for commercial purposes to the extent that such automobiles constitute an unreasonable nuisance or annoyance to the Property or other Owners as to the size or quantity thereof. The Architectural Review Committee may from time to time formulate and adopt guidelines indicating the number and size of personally owned automobiles intended for commercial purposes which may be stored or parked on the Property by an Owner. No campers, trailers, motor homes, buses, tractors/trailers, "RVs" (recreational vehicles) or boats shall be stored or regularly parked on the Property, except if stored or regularly parked in a fenced area or enclosed garage. No motor vehicles of any kind, including cars, trucks, trailers, motorcycles, or the like, may be stored, junked, or otherwise maintained in any idle or unworkable condition. No motor vehicle or machine will be overhauled or rebuilt in the driveway of any Lot, in front of any dwelling on any Lot, or on the Roads and Easements. Only vehicles and machines of good running condition which are currently licensed and registered are permitted to be parked.

6. MINERAL EXTRACTION.

No mining or extraction of minerals shall be permitted on any Lot including seismic or other mineral extraction testing.

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7. WATER AND SANITATION.

Any residence constructed on any Lot shall be connected with any public or community water or sewage disposal system which may be formed or created to serve the Subdivision. Privies, outhouses, chemical toilets, etc., are expressly prohibited except for a reasonable period of time during the construction of a residence.

8. DRAINAGE.

Each Owner is responsible for providing adequate water drainage from the Owner's Lot into existing storm drains or street gutters so that such water does not drain onto adjacent Lots. No chemicals or petroleum products shall be allowed to drain into storm drains or street gutters but this paragraph will not prevent the application in normal quantities of customary insect, animal, or plant control substances, fertilizers, and plant foods on Lots even if run-off from the Lots could carry these substances into the storm drain system.

9. REFUSE AND RUBBISH.

All property and premises shall be kept in a clean and sanitary condition at all times. No Lot shall be used or maintained as a dumping ground for rubbish, trash, or garbage, or any other form of solid, semisolid, or liquid waste. Rubbish, garbage, or other waste shall be kept and disposed of in a sanitary container. All containers or other equipment for the storage or disposal of garbage, trash, rubbish, or other refuse shall be kept in a clean, sanitary condition and shall be kept inside the residence or individually housed or screened from view. No trash, litter, or junk shall be permitted to remain exposed upon the premises and visible from public roads or adjoining or nearby premises. Burning of trash will not be permitted.

10. YARD MAINTENANCE AND LAWN SEEDING.

All yards shall be landscaped within one (1) year after completion of residence.

11. APPEARANCE OF LOTS.

Each Lot at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber, or other building materials shall be permitted to remain exposed upon any Lot so they are visible from any neighboring Lot or streets, except as necessary during the period of construction. In the event any structure is destroyed, either wholly or partially, by fire or any other casualty, said structure shall be promptly rebuilt or remodeled to conform with this Declaration; or if the structure is not to be rebuilt, all remaining portions of the structure, including the foundation and all debris, shall be promptly removed from the Lot.

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12. SIGNS.

No signs shall be located on any Lots except signs offering the Lot for sale and except builders' or suppliers' signage during the period of construction. Approval for other signs or signage may be obtained in writing from the Architectural Review Committee. Said Committee shall have the right to disapprove all such requests for signs except those described above.

13. ANIMALS.

No animals, livestock, cattle, swine, fowl, poultry, or insects of any kind shall be housed, raised, or left on any Lot either temporarily or permanently except commonly accepted domestic household pets may be kept, provided they are not kept or maintained for any commercial purpose. Animal pens shall be maintained on a regular basis to assure a neat and orderly appearance and a clean and healthy atmosphere.

14. RESUBDIVISION.

The erection of more than one dwelling per Lot or the resubdivision of Lots is prohibited unless consent of the Architectural Review Committee and the City of Loveland is first obtained in writing.

15. FENCES.

The construction of all fencing shall be constructed by a professional company engaged in the business of fence construction, and such company shall be subject to the approval of the Architectural Review Committee. All fences shall be maintained in good repair and shall be of the same size, color, and material as that of the fencing erected by Declarant; provided, however, limited privacy screening may be allowed for the hot tubs or like uses. Subject to approval by the Architectural Review Committee, four, five, or six-foot privacy fences may be allowed, natural in color.

16. There shall be a maximum fence height of four (4) feet along Tracts E-F-G and Tract A accesses.

ARTICLE XI

1. ARCHITECTURAL REVIEW.

There shall be created a committee called the Meadowbrook Heights Second Subdivision Architectural Review Committee (hereinafter referred to as "Architectural Review Committee"). No building shall be erected, placed, or altered on any Lot, nor shall any wall, fence, or other enclosure, deck, patio, porch, solar collector, or other improvement, be located thereon, until construction plans and specifications, including, without limitation, exterior

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colors for painted and stained surfaces, plot plan and configuration, size and square footage of improvements, have been submitted to and have been approved by the Architectural Review Committee, in its sole discretion, as to quality of workmanship and materials, harmony of design with surrounding structures, exterior colors, and location with respect to topography and grade.

One complete set of plans and specifications shall be furnished to the Architectural Review Committee. All plans and specifications must be complete, legible, and understandable but need not be professionally drawn or prepared. The Architectural Review Committee reserves the right to reject plans and specifications if they, in their discretion, deem them to be incomplete or insufficient. The Architectural Review Committee shall have the right to waive or vary any of the requirements described in this Declaration. The Architectural Review Committee may retain one (1) set as part of its permanent files. The following items must be included in such plans and specifications (in addition to other items which the Architectural Review Committee may require, in its sole discretion from time to time) and shall, without limitation, be subject to approval of the Architectural Review Committee in its sole discretion:

- a. Size and square footage of finished space including floor plans;
- b. Exterior elevations.
- c. Exterior colors and samples of exterior materials. All colors must be selected from the color Board and exterior materials must be approved in advance by the Architectural Review Committee, in its sole discretion.
- d. Harmony of design with surrounding structures and variation in exterior design to avoid monotony of repetition;
- e. Plot layout with respect to topography, grade, and drainage in relation to existing dwellings and drainage.

2. MEMBERSHIP TO THE COMMITTEE.

The Architectural Review Committee shall consist of not less than one (1) nor more than three (3) persons. As of the date of this Declaration, the Architectural Review Committee shall consist of Donald D. Keirns and Kathryn M. Beadell, whose address is 816 East 57th Street, Loveland, CO 80538. If the Architectural Review Committee consists of more than one member, a majority of the Architectural Review Committee may designate a representative to act for it. Neither the members of the Architectural Review Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this Declaration. The Architectural Review Committee shall, however, have the authority to use the services of an architect as consultant and charge a sum not exceeding One Hundred Fifty Dollars (\$150) for each set of plans and specifications submitted to it for

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approval to defray the fees of the consultant. The consultant shall not have the right to vote in passing on the plans and specifications. Until Declarant sells or conveys all Lots owned by Declarant, Declarant shall have the right to appoint the members (or their successors) of the Architectural Review Committee. Upon sale of all Lots owned by Declarant, the Architectural Review Committee shall be appointed on an annual basis by the Executive Board of the Association from among the Lot Owners. After the sale of all Lots owned by the Declarant, and in the event of death or resignation of any member of the Architectural Review Committee, the remaining members shall have the authority to designate a successor.

3. PROCEDURE.

The Architectural Review Committee's approval or disapproval as required in this Declaration shall be in writing or as indicated on the builder's or Owner's set of plans and specifications. In the event the Architectural Review Committee or its designated representative fails to approve or disapprove within forty-five (45) days after the plans and specifications have been submitted to it, the plans and specifications will be deemed approved and the related covenants described in this Declaration shall be deemed to have been fully complied with; provided, however, that such approval will only be deemed to have occurred with regard to matters sufficiently described in plans and specifications which are actually received by the Architectural Review Committee.

All buildings and improvements shall be constructed in accordance with plans and specifications approved by the Architectural Review Committee. Any changes to approved plans and specifications shall require resubmission to and approval by the Architectural Review Committee.

4. ADOPTION OF GUIDELINES.

The Architectural Review Committee may from time to time formulate and adopt guidelines and procedures consistent with this Declaration for the purpose of clarifying or assisting in the exercise of its duties contemplated by this Declaration. The Architectural Review Committee may formulate guidelines and rules regarding the adoption of architectural and construction standards and the regulation of use of Lots on the Property. The contents of the guidelines may not necessarily be reflected by this Declaration. Such guidelines must be approved by the Executive Board of the Association. The Architectural Review Committee will furnish a copy of said guidelines, upon request and payment of an amount equal to the cost of copying such guidelines, procedures, and rules.

5. NONWAIVER.

The approval or disapproval by the Architectural Review Committee of any plans, drawings, or specifications for any work or construction done or proposed, or in connection with any other matter requiring the approval of the Architectural Review Committee under this Declaration, shall not be deemed to constitute a waiver of any right to approve or

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disapprove any similar plan, drawing or specification or matter whenever subsequently or additionally submitted for approval by any Owner.

6. ESTOPPEL CERTIFICATE.

Within thirty (30) days after written demand therefor is delivered to the Architectural Review Committee by any Owner, and upon payment to the Association of a reasonable fee from the time to be fixed by the Architectural Review Committee, the Architectural Review Committee shall provide the Owner with an estoppel certificate executed by any one of its members, certifying with respect to the Lot of said Owner, that as of the date thereof either: (a) All improvements and other work made or done upon or within said Lot comply with this Declaration; or (b) such improvements and work do not so comply, in which event the certificate shall also (i) Identify the noncomplying improvements and work; and (ii) set forth with particularity the cause or cause for such noncompliance.

ARTICLE XII

1. RESERVED DECLARANT RIGHTS AND ADDITIONAL RESERVE RIGHTS.

Declarant reserves the right for the maximum time limit allowed by law (or, to the extent no such time limit is fixed by law, for a period of fifteen (15) years after the recording of this Declaration) to perform the acts and exercise the rights specified below (the "Reserved Declarant Rights"). Declarant's Reserved Declarant rights include the following:

- a. Completion of Improvements. The right to complete improvements indicated on the plat of the Meadowbrook Heights Second Subdivision.
- b. Sales Management and Marketing. The right to maintain sales offices, management offices, signs advertising the Property or portions thereof for sale, and models on the Property. The Declarant shall have the right to determine the size and location of any sales offices, management offices, and models. The Declarant shall also have the right to relocate any sales offices, management offices, and models from time to time at its discretion. After the Declarant ceases to be the owner of a Lot, the Declarant shall have the right to remove any sales offices, management offices, and models from the Property.
- c. Master Association. The right to make the Property subject to another nonprofit association formed to govern the Property and one or more common interest communities.
- d. Merger. The right to merge, consolidate or annex the Property with another common interest community.

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- e. Control of Executive Board Members and Officers. The right to appoint or remove any officer or director of the Association or any member of the Architectural Review Committee.
- f. Amendment to Declaration. The right to amend this Declaration in connection with the exercise of the following rights (collectively, the "Development Rights").
- (i) Add real estate to the Property;
 - (ii) Create Lots and additional Common Elements;
 - (iii) Subdivide Lots or convert Lots into Common Elements;
 - (iv) Withdraw all or any portion of the Property from the provisions of this Declaration.
- g. Amendment of Plat. The right to amend the Meadowbrook Heights Second Subdivision plat in connection with the exercise of any Development Rights.
- h. Transferability of Rights. Any of the Declarant's rights may be transferred to any person or entity by an instrument describing the right transferred and recorded in the Larimer County, Colorado, records. Such instrument shall be executed by the transferor or Declarant and the transferee.

ARTICLE XIII

1. COVENANTS TO RUN WITH THE LAND.

~~This Declaration and these provisions are to run with the land and shall be binding upon all parties and all persons claiming under them until January 1, 2004, at which time this Declaration and said covenants shall be automatically extended for successive periods of ten (10) years, unless by vote of the then record Owners of a majority of the Lots it is agreed to amend this Declaration and said covenants in whole or in part. Provisions for maintenance of Common Elements and open space located in the Property shall not be permitted to lapse with other covenants unless other provisions are made for the continuation of maintenance. This Declaration may be amended in whole or in part at any time by a duly written and recorded instrument executed by the then record Owners of a majority of the Lots.~~

Notwithstanding any provision to the contrary in this Declaration, until Declarant has sold all Lots owned by Declarant, any amendment to this Declaration shall require the consent of Declarant.

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2. DELINQUENCY.

Any assessment or other amount due from an Owner as provided for in this Declaration, which is not paid when due, shall be delinquent. With respect to each amount not paid within thirty (30) days after its due date, the Association may, at its election, require the Owner to pay a "late charge" in a sum to be determined by the Association, but not to exceed 10 percent of the amount due. If any such amount or assessment is not paid within thirty (30) days after the delinquency date, the assessment or amount shall bear interest from the date of delinquency at the rate of eighteen percent (18%).

3. ASSOCIATION'S PERFORMANCE OF AN OWNER'S DUTIES.

In the event any Owner fails to comply with the provisions of this Declaration, the Association shall be entitled to take whatever lawful actions are necessary to enforce the provisions hereof including performing such duties on behalf of the Owner. If the performance of an Owner's duties by the Association requires the Association or its delegates to enter onto the Lot of an Owner for such purposes which shall include, but not be limited to, cutting of weeds, erosion control, and trash clean up, such entry shall be deemed to have occurred with the consent of the Owner and shall not constitute a trespass. The Association shall be entitled to recover all costs, expenses and attorneys' fees incurred by the Association in performing the duties of an Owner. If the Owner fails or refuses to pay the Association for such amounts within thirty (30) days from the date invoiced by the Association, the amounts, including late charges and interest, shall constitute a lien against the Owner's Lot together with the Owner's interest in the Common Elements, and shall have the same priority, and shall be documented, evidenced, attached, enforced and accompanied by the same benefits as the lien for nonpayment of assessments described in this Declaration.

4. LEGAL PROCEEDINGS.

If the parties hereto, or any of them or their heirs or assigns, shall violate or attempt to violate any of the covenants or provisions described in this Declaration, it shall be lawful for the Association or any Owner to prosecute or bring proceedings at law or in equity against the person or persons violating any such covenant.

In the event that the Association elects to bring any claim or action against an Owner, his family, invitees, licensees, tenants or subtenants, to enforce the provisions of this Declaration, such Owner shall be liable to the Association for all costs, expenses, and reasonable attorneys' fees incurred by the Association in such action. If the Owner fails or refuses to pay the Association for such amounts within thirty (30) days from the date invoiced by the Association, the amounts, including late charges and interest, shall constitute a lien against the Owner's Lot together with the Owner's interest in the Common Elements, and shall have the same priority, and shall be documented, evidenced, attached, enforced, and accompanied by the same benefits as the lien for nonpayment of assessments described in this Declaration.

5. CUMULATIVE REMEDIES.

The liens for unpaid assessments and unpaid amounts due from Owners and the rights to foreclosure and sale described in this Declaration shall be in addition to and not in substitution for any rights and remedies which the Association and its assigns may have by law, including a suit to recover a money judgment for such unpaid amounts and assessments.

6. CONDEMNATION OF COMMON ELEMENTS.

If at any time, all or any portion of Common Elements, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, then any award in condemnation shall be paid to the Association and deposited into its operating fund. No Owner shall be entitled to participate as a party, or otherwise, in any proceedings related to such condemnation. Such right of participation is herein reserved exclusively to the Association which shall, in its name alone, represent the interests of all Owners.

7. INVALIDATION.

Invalidation of any one of the covenants or provisions in the Declaration by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

8. LIABILITY OF ARCHITECTURAL REVIEW COMMITTEE AND EXECUTIVE BOARD.

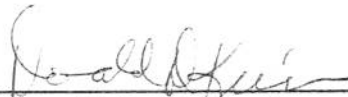
No member, director or officer of the Executive Board of the Association, the Architectural Review Committee, or any other committee or office established hereunder shall be personally liable to any Owner or any other person for any error or omission of the Executive Board, the Association, the Architectural Review Committee, and committee established hereunder, their employees or representatives; provided that such member, director or officer has not acted with intentional bad faith or malice toward any Lot Owner.

Dated this 30th day of August, 1995.

DECLARANT:

K & B DEVELOPMENT LLC,
a Colorado Limited Liability Company

By



Donald D. Keims, General Manager

2/20

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

Subscribed and sworn to before me this 30th day of August, 1995, by Donald D. Keims, General Manager of K & B Development LLC, a Colorado Limited Liability Company.

Witness my hand and official seal.



Bonnie K. Smith
Notary Public
My Commission Expires: 2-7-00

ACTION TAKEN BY EXECUTIVE BOARD
OF
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.
ON UNANIMOUS CONSENT

Pursuant to the Colorado Nonprofit Corporation Act, the undersigned, being all of the members of the Executive Board of Meadowbrook Heights Second Subdivision Homeowners Association, Inc. (the "Association"), unanimously consent to the following action of the Association's Executive Board:

WHEREAS, it is necessary to amend the Association's Articles of Incorporation to comply with HUD guidelines.

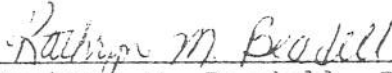
IT IS RESOLVED that the Amendment to the Association's Articles of Incorporation, which is attached and incorporated by reference, is adopted.

FURTHER RESOLVED that the proposed Amendment shall be submitted to a vote at a special meeting of the Association's members to be held on 6 Aug, 1997.

DATED this 6 day of ~~July~~, 1997.
Aug



Donald D. Keirns, Director



Kathryn M. Beadell, Director

AMENDMENT TO ARTICLES OF INCORPORATION
FOR
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.

Pursuant to the Colorado Nonprofit Corporation Act, the Articles of Incorporation of MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS ASSOCIATION, INC. (the "Association") are amended by the addition of the following new Articles XIII and XIV:

ARTICLE XIII: AMENDMENTS

Amendment of these Articles shall require the assent of 75% of all Members.

ARTICLE XIV: FHA/VA APPROVAL

As long as Declarant owns any Lot, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication or encumbrance of Common Elements, any action which may affect the Members' easement in the Common Elements, mergers and consolidations, dissolution of the Association and amendment of these Articles.

Mail to: Secretary of State
Corporations Section
1560 Broadway, Suite 200
Denver, CO 80202
(303) 894-2251
Fax (303) 894-2242

For office use only

01:

Please include a typed
self-addressed envelope

MUST BE TYPED
FILING FEE: \$25.00
MUST SUBMIT TWO COPIES

ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION
FOR A COLORADO NONPROFIT CORPORATION

Pursuant to the provisions of the Colorado Nonprofit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is Meadowbrook Heights Second Subdivision Homeowners Association, Inc.
(If this is a change of name amendment, the name to be typed is the corporate name before this amendment is filed.)

SECOND: The following amendment to the Articles of Incorporation was adopted on the _____ day of _____, 1997, in the manner prescribed by the Colorado Nonprofit Corporation Act, according to the procedure marked with an X below:

 x a quorum of members was present at such meeting, and the amendment received at least two-thirds of the votes which members present or represented by proxy were entitled to cast.

 such amendment was adopted by a consent in writing signed by all members entitled to vote with respect thereto.

 there are no members, or no members entitled to vote thereon, such amendment received the vote of a majority of the directors in office.

Signature Donald D. Keen
Its _____ President

and

Signature Kathryn M. Beadell
Its _____ Secretary

\$25.
@ 8/6/99
H, 425

AMENDMENT TO ARTICLES OF INCORPORATION
FOR
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.

Pursuant to the Colorado Nonprofit Corporation Act, the Articles of Incorporation of MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS ASSOCIATION, INC. (the "Association") are amended by the addition of the following new Articles XIII and XIV:

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Amendment of these Articles shall require the assent of 75% of all Members.

ARTICLE XIV: FHA/VA APPROVAL

As long as Declarant owns any Lot, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication or encumbrance of Common Elements, any action which may affect the Members' easement in the Common Elements, mergers and consolidations, dissolution of the Association and amendment of these Articles.

NOTICE OF SPECIAL MEETING OF THE MEMBERS
OF
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.

TO: All Members of Meadowbrook Heights Second Subdivision
Homeowners Association, Inc.

Notice is given that a special meeting of the members of Meadowbrook Heights Second Subdivision Homeowners Association, Inc. (the "Association") will be held on Wednesday, Aug 6, 1997, at 9:00 a.m. at 382 Wanda Court Loveland, Colorado. The sole purpose of the meeting will be to consider proposed changes to the Association's Articles of Incorporation as set forth in the Amendment which is attached and incorporated by reference. The changes are necessary to comply with the HUD financing guidelines.

Dated: July 23, 1997.

Kathryn M. Beadell
Secretary

Do Mark

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Dave - 7-23-97

AMENDMENT TO ARTICLES OF INCORPORATION
FOR
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.

Pursuant to the Colorado Nonprofit Corporation Act, the Articles of Incorporation of MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS ASSOCIATION, INC. (the "Association") are amended by the addition of the following new Articles XIII and XIV:

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**BYLAWS
OF
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.
(A Colorado Nonprofit Corporation)**

**ARTICLE I
Name**

This organization shall be known as MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS ASSOCIATION, INC., a Colorado Nonprofit Corporation, hereinafter referred to as the "Corporation."

**ARTICLE II
Office**

The principal office of the Corporation shall be at 816 East 57th Street, Loveland, Colorado 80538, or such other location within the State of Colorado as the Executive Board may determine from time to time.

**ARTICLE III
Application and Definitions**

The provisions of these Bylaws are applicable to MEADOWBROOK HEIGHTS SECOND SUBDIVISION, County of Larimer, Colorado. All present and future Owners and their tenants, future tenants, employees, assigns, guests, invitees, and any other person who might use the facilities on the Property in any manner, are subject to the regulations set forth in these Bylaws and in the Declaration of Protective Covenants, Conditions, and Restrictions recorded in the Clerk and Recorder's Office, Larimer County, Colorado.

Unless otherwise specifically provided herein, the terms in these Bylaws shall have the following meanings:

Articles of Incorporation. The Articles of Incorporation of the Association as the same may be amended from time to time.

Association. "Association" shall mean and refer to the Meadowbrook Heights Second Subdivision Homeowners Association, Inc., a Colorado Nonprofit Corporation, its successors, and assigns. Members of the Association shall be the Owners of Lots as hereinafter defined and as described in the Bylaws of the Association.

Executive Board. The duly elected Executive Board of the Association, sometimes referred to as Board.

Easements. "Easements" shall mean and refer to all easements shown on the recorded plat of Meadowbrook Heights Second Subdivision.

Successor. One or more persons who have been assigned or otherwise succeeded to all or a portion of the Declarant's Development Rights, Special Declarant Rights, and/or rights to control the Association.

ARTICLE IV

Purposes

In accordance with the provisions of the Declaration, the Corporation shall have the responsibility of constructing, maintaining, repairing, replacing, operating, and otherwise providing for the continued use and operation of the Common Elements; adopting the budgets, establishing and collecting all assessments; otherwise providing for and regulating the use of the Common Elements; and carrying out such functions, and exercising such powers as are granted by the Declaration, the Articles of Incorporation, the Colorado Nonprofit Corporation Act, and the applicable provisions of the Colorado Common Interest Ownership Act.

ARTICLE V

Membership

5.01. Every Owner of a Lot shall become a member of the Association upon acquisition of the Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Membership shall pass by operation of law upon the sale of any Lot, which sale may be by deed or by installment land contract ("contract for deed"). The transfer of ownership of a Lot shall not release the transferee from any obligations to the Corporation incurred prior to the time of such transfer.

5.02 Suspension. In addition to all other remedies provided for by the Declaration, and Colorado law, the Executive Board shall have the power to suspend the privileges of membership of any member for failure to timely pay assessments or charges, or if, as provided in these Bylaws, a majority of the Executive Board determines that a member or any agent, guest, or invitee of the member has violated the Declaration, these Bylaws, or the rules and regulations for use of the Common Elements adopted by the Board.

ARTICLE VI

Assessment for Common Expenses

6.01 Personal Obligation of Owners for Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the estimated Common Expenses attributable to the Property. Assessments for the estimated Common Expenses shall be due monthly or at such other intervals as may be set by the Association from time to time. The Association shall

prepare and deliver by mail to each member at such intervals as may be set by the Association from time to time, a statement for the estimated Common Expenses.

6.02 Amount of Assessments. Assessments made for the Common Expenses shall be based on the cash requirements deemed to be the aggregate sum the Association shall, from time to time, determine is to be paid by the Owners, to provide for payment of all estimated expenses growing out of or connected with the maintenance or operation of the Common Elements. Said sum may include, among other things, Common Expenses, expenses for management, taxes and special assessments, casualty and public liability and other insurance premiums, landscaping and care of grounds, common lighting, repairs, and renovations, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of the Declaration, the payment of any deficit remaining from a previous period, and the creation of a reasonable contingency or other reserve, sinking, or surplus fund, as well as other costs and expenses related to the Common Elements. In no event shall the annual average Common Expense liability of each Lot restricted to residential purposes, exclusive of optional user fees and any insurance premiums paid by the Association, exceed \$300 or such greater amounts as may in the future be provided under the Act in connection with the existence of limited expense planned communities.

6.03 Notice of Assessments. The Executive Board of the Association shall fix the amount of the assessment to be made against each Lot at least thirty (30) days in advance of the assessment period. The due date shall be established by the Executive Board and set forth in the notice of the assessment.

ARTICLE VII Notice and Hearing Procedure

7.01 Suspension of Privileges and Levy of Fines. Pursuant to the Declaration, no vote may be cast or counted for any Lot for which assessments, fees, dues, or other monies are in default of payment at the time votes are counted. In addition, in the event of a violation of the Declaration, these Bylaws, or the rules and regulations adopted pursuant to these Bylaws, the Executive Board shall have the right, upon an affirmative vote of the majority of all Directors, in addition to all other remedies available pursuant to the Declaration, and the laws of the State of Colorado, to take all or any one or more of the following actions:

- 1) Suspend or condition the right of said member to use any of the Common Elements;
- 2) Suspend said member's voting privileges as a member;
- 3) Levy appropriate fines and charges for such violation.

4) Record, enforce, and foreclose liens of nonpayment of assessments as set forth in Article VIII of Declaration of Protective Covenants, Conditions, and Restrictions.

The member shall be given written notice of the violations, the effective date of any suspension, and the conditions or requirements to be met by the member in order to remove the suspension. Unless the Board determines by majority vote that the violation is of such a nature as to require immediate suspension, the effective date of any such suspension shall be no earlier than thirty (30) days following mailing of the notice to the member by first class mail, or by certified mail, return receipt requested, at the address shown in the records of the Corporation for the member. Suspension resulting from non-payment of assessments, dues or fees shall be removed upon payment by the member of all amounts currently due, including interest, costs, and attorney fees. The conditions and requirements for removing suspension for reasons other than non-payment shall be left to the discretion of the Executive Board and shall be reasonably related to and appropriate for the violation.

7.02 Hearing. Upon request of the member so suspended and/or fined, the Executive Board shall hold a hearing no less than fifteen (15) days following receipt of the request for hearing. The hearing shall be held before the Board in an executive session and the member shall be given a reasonable opportunity to be heard upon the facts concerning the violation, and the appropriateness of fines or charges and any conditions or requirements placed upon the member to remove the suspension of privileges.

7.03 No Waiver, Remedies Cumulative, Exhaustion of Remedies. The failure of the Board to enforce the rules and regulations of the Association, these Bylaws, or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth in this Article and otherwise provided by these Bylaws and the Declaration, shall be cumulative and none shall be exclusive. However, the individual member must exhaust all available internal remedies of the Corporation prescribed by these Bylaws and any rules and regulations adopted by the Board, before that member may resort to a Court of law for relief with respect to any action of the Board.

ARTICLE VIII

Voting

8.01 Voting Rights. Each Lot whose membership is in good standing shall be entitled to cast one (1) vote, subject to rights of Declarant, and further subject to actions to be taken by Lot Owners other than Declarant as provided in the Declaration, these Bylaws, or the Colorado Common Interest Ownership Act.

Declarant has reserved the right to appoint and remove the members of the Executive Board and the Officers of the Association and the members of the Architectural Review Committee, as set forth in the Declaration.

The Association shall have one (1) class of voting members. Each Lot shall be allocated one (1) vote in the Association. When more than one person or entity owns an interest in a Lot, all such persons or entities shall be members of the Association. The vote for such Lot shall be exercised as the Owners thereof among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one Lot.

8.02 Designation of Voter. For each Lot, there shall be designated by the Owner one person authorized to cast all votes allowed the Lot. Such designation shall be in writing and shall be signed by all persons deemed necessary by the Executive Board and delivered to the Secretary of the Corporation prior to the time the votes are cast. If no such designation has been made, the vote for such Lot may be cast as set forth in Section 38-33.3-310, of the Colorado Common Interest Ownership Act.

8.03 Manner of Voting. No votes shall be cast or allowed for any Lot whose Owner membership is not in good standing. All votes shall be cast in person or by written proxy executed in writing by the person shown upon the records of the Corporation to be designated by the Owner to cast such votes, or his or her duly authorized attorney-in-fact.

8.04 No Cumulative Voting. Cumulative voting shall not be permitted.

ARTICLE IX Membership Meetings

9.01 Annual Meetings. A regular annual meeting of the members of the Corporation may be held the second Tuesday in May, 1996, and unless otherwise established by the Executive Board each subsequent regular annual meeting of the members shall be held the second Tuesday in May of each year thereafter in the State of Colorado at a time and location to be designated by the Executive Board. The place of the meeting shall be shown on the notice to the members of such meeting.

9.02 Special Meetings. Special meetings of the members of this Corporation may be called at any time by the President or a majority of the Executive Board or upon the written request of members holding not less than twenty percent (20%) of the votes which may be cast.

9.03 Notice A written notice of all regular or special meetings of the members shall be prepared by the Secretary of the Corporation and delivered personally to each member or mailed to the last known post office address of record of each member not less than ten (10) days nor more than fifty (50) days before the date of such meeting. All notices of meetings shall state the purposes and agenda of the meeting including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove an officer or a member of the Board.

9.04 Quorum. A quorum is deemed present throughout any meeting of the Association if persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board are present, in person or by proxy, at the beginning of the meeting. If less than a quorum be present, the meeting may be adjourned by those present without notice other than announcement to those members present or represented, until some subsequent date, not more than sixty (60) days following the preceding meeting. Unless otherwise provided in the Declaration, the Articles of Incorporation, or elsewhere in these Bylaws, the affirmative vote of a majority of memberships in good standing and represented in person or by written proxy at a meeting at which a quorum is present shall be necessary to transact business and to adopt decisions binding on all members.

9.05 Proxies. Representation by written proxy shall be allowed and the instrument authorizing the proxy to act at the meeting shall be exhibited at the time of such meeting when called and filed with the Secretary. All proxies shall be revocable and shall automatically terminate upon conveyance by the member of his ownership of a Lot. A proxy is void if it is not dated or if it purports to be revocable without notice. No proxy shall be valid after eleven (11) months from its date of execution unless otherwise provided for in the proxy. A proxy may be revoked only by actual notice to the person presiding over a meeting of the Association.

9.06 Waiver of Notice. Any member may at any time waive any notice required to be given under these Bylaws. All the members may take action unanimously by signing a written consent thereto.

9.07 Action Without Meeting. Any issue, question, election of directors, or other proposition that might be brought before an annual or special meeting of members may be decided by ballot distributed and voted by mail, pursuant to instructions adopted by resolution of the Executive Board; provided that at least fifty-one percent (51%) [or such other percentage as may be required by the Declaration, these Bylaws, or the Colorado Common Interest Ownership Act for the action under consideration] of the eligible votes shall be validly cast by return mail addressed to the Secretary of the Corporation or delivered to the Secretary.

9.08 Minutes. Minutes or a similar record of the proceedings of meetings, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE X Directors

10.01 Executive Board, Number and Election of Board Members. The Declarant shall, for the period of time hereafter provided, retain the right to appoint and remove the members of the Executive Board and the Officers of the Association and the members of the

Architectural Review Committee ("Declarant Control"). The initial Executive Board shall consist of two (2) persons appointed by the Declarant, each of whom shall serve at the pleasure of the Declarant or until his or her successor(s) is appointed by the Declarant; subject to the following:

A. Within sixty (60) days after conveyance to Purchasers of twenty-five percent (25%) of the Lots by Declarant, the Executive Board shall be increased to three (3) members by the addition of one member to be elected by Owners other than Declarant, and thereafter two (2) Board members shall be appointed by the Declarant and one (1) Board member shall be elected annually by the Owners other than Declarant; and

B. Sixty (60) days after conveyance of seventy-five percent (75%) of all the Lots, the period of Declarant control terminates except as provided in C.R.S. § 38-33.3-303(5).

10.01.1 Period of Declarant Control. The period of Declarant Control with respect to the Board shall terminate fifteen (15) years from the date of the first conveyance of a Lot to a Purchaser by Declarant, or the earlier occurrence of an event requiring termination under the Colorado Common Interest Ownership Act. Declarant may at any time voluntarily surrender the right to appoint and remove Board members, and in such event the Declarant may require for the duration of Declarant control that specified actions of the Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. Notwithstanding the foregoing, the period of Declarant Control to solely appoint the members of the Architectural Review Committee shall continue until the conveyance to a Purchaser of the last Lot in the Property not previously conveyed to a Purchaser, unless the provisions of the Colorado Common Interest Ownership Act otherwise require earlier termination.

10.01.2 Upon termination of the period of Declarant Control with respect to the Board, the Owners shall elect a Executive Board of at least three (3) members, at least a majority of whom must be Owners other than Declarant. The Board members so elected shall elect the Officers of the Association. The Board members and Officers, unless otherwise required by the Colorado Common Interest Ownership Act shall take office upon election. Upon termination of the period of Declarant Control with respect to the Architectural Review Committee, the Board shall establish the number of members such of such Committee and appoint such members.

10.01.3 For purposes of determining the percentage of conveyance of Lots as it affects the Declarant's rights of control to appoint and remove the members of the Executive Board and the Officers of the Association, a

conveyance of a Lot shall only be counted if such conveyance is to a Purchaser who has purchased a Lot with the intent to reside thereat, and no transfer by Declarant shall be deemed as a conveyance for such purposes if the transferee is not such a Purchaser, or if such transferee is a Dealer or is a person who intends to dispose of or participate in the disposal to Purchasers of Lots owned by the Declarant or a successor to the Declarant.

10.02 Number and Term. Each Director shall hold office for one (1) year following his or her election. Directors may be re-elected to additional terms and there shall be no limit to the number of terms a duly elected member may serve.

10.03 Qualifications of Directors. Except for those members appointed by the Declarant, Directors shall be Owners (or persons designated to represent Owners who are not living persons) of Lots.

10.04 Vacancies and Removals. During the period of Declarant Control, the Declarant shall have the power to remove any of the members of the Executive Board, and to fill any vacancy occurring in the Executive Board; provided, that any member of the Executive Board elected by Lot Owners other than the Declarant shall be removed, and any vacancy for such member filled, by a vote of sixty-seven percent (67%) of Lot Owners other than the Declarant present and entitled to vote at a meeting of the Owners of the Association at which a quorum is present.

ARTICLE XI Duties of Directors

11.01 General Powers and Duties. It shall be the duty of the Executive Board to exercise general supervision over the management of the affairs of the Corporation, to establish the fees, duties, and assessments to be paid by memberships to achieve the purposes of the Corporation, and to receive and pass upon the reports of the President, Secretary and Treasurer, and to direct the Officers thereof in the general conduct of the Corporation. The Board shall have control of any books, papers, or documents of the Corporation in the hands of the Officers.

11.02 Special Powers and Duties. In addition to and without limitation of the foregoing general powers and duties, and such powers and duties as are vested in the Executive Board by virtue of the Declaration, the Articles of Incorporation, and the laws of the State of Colorado, the Board is vested with, and responsible for, the following powers and duties:

A. Subject to the rights reserved to the Declarant during the period of Declarant Control, selection, appointment and removal of all Officers, agents and employees of the Corporation and the fixing of compensation therefor.

B. The power and duty to make and enforce such rules and regulations consistent with law, the Articles of Incorporation, the Declaration, and these Bylaws as the Board may deem necessary or advisable, for the use of the Common Elements and to establish penalties for the infraction thereof, including such fines, suspension of usage and suspension of voting rights as the Board may deem appropriate.

C. To suspend the voting rights of a member, and the right to use of the Common Elements, during any period in which the member is in default in the payment of any assessments, charges, or fines levied by the Association.

D. With the approval of at least 57 Lot Owners in good standing, the power, but not the duty to convey or encumber the Common Elements and borrow money and to incur indebtedness for the purposes of the Corporation, and to cause and to be executed and delivered therefore, in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, assignments, and hypothecations or other evidences of debt and securities therefor.

E. The power and duty to fix and levy assessments upon the members as provided in the Declaration for the purpose of the Corporation; including the payment of taxes and assessments upon real and personal property interests of the Corporation, and the establishment and maintenance of adequate reserves for replacements, emergency expenditures, and anticipated capital expenditures.

F. The power and duty to enforce the provisions of the Declaration, these Bylaws, rules and regulations adopted by the Board and other agreements of the Corporation.

G. The power to contract for and pay for, as reasonably necessary, fire, casualty, blanket liability, malicious mischief, vandalism, errors and omissions, and other insurance insuring members, the Corporation, the Executive Board, the Officers, agents, and employees of the Corporation, and other interested parties as the Board deems advisable.

H. The power to grant rights of use of the Common Elements.

I. To exercise for the Association all powers, duties, and authorities vested in or delegated to the Association and not reserved to the Declarant or the membership by the other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

J. To exercise all powers and rights granted by the Colorado Nonprofit Corporation Act, and the applicable provisions of the Colorado Common Interest Ownership Act not reserved to the Declarant or the membership.

K. To employ a manager as the Board may deem necessary from time to time, and to prescribe the duties and delegate to such a manager as appropriate.

L. To designate and remove independent contractors or employees or agents as may be appropriate for the operation, maintenance, and replacement of the Common Elements.

M. To cause or require all Officers, employees, or agents having fiscal responsibilities to be bonded, as the Board may deem appropriate.

11.03 Books. The Executive Board shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Corporation in a manner consistent with generally accepted accounting principles. A balance sheet and an operating (income) statement of the Corporation shall be prepared and distributed to members within ninety (90) days of the last day of the Corporation's fiscal year. All financial statements contained in any such annual report for any fiscal year in which the gross income of the Corporation exceeds \$30,000.00 shall be audited by an independent public accountant.

All books, records, and papers of the Corporation shall be available for inspection and copying by any member or his or her duly appointed representative at the principal office of the corporation or at such other place within the property as the Board may prescribe, subject to reasonable rules established by the Board for the time of inspection and payment of costs of reproduction. An appropriate Officer may issue, upon written demand by any Owner of a Lot or such Owner's designee, or to a holder of a security interest in a Lot or its designee, and upon payment of a fee of \$20, or such other reasonable fee as established by resolution hereafter by the Board from time to time, a certificate setting forth the amount of unpaid assessments currently levied against such Lot. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment, such statement shall be furnished within twenty (20) calendar days after receipt of the request, and shall have such binding effect as set forth in the Colorado Common Interest Ownership Act.

The Corporation shall keep and maintain in its office a book containing the name and address of each member and the person authorized to cast any votes on behalf of such member. Termination or transfer of membership shall be recorded in the book, together with such other information as the Board may deem necessary or appropriate.

11.04 Budget. The Board shall adopt, no less than annually, a periodic budget. Within thirty (30) days after adoption of any proposed budget, the Board shall cause to be mailed by ordinary first class mail, or otherwise delivered, a summary of the budget to all Owners.

ARTICLE XII
Officers

12.01 Designation and Term. The Officers of this Corporation shall consist of a President, a Vice President, a Treasurer, and a Secretary, who shall during the period of Declarant Control be designated by the Declarant. Upon termination of Declarant Control, the Officers shall be elected by majority vote of the Executive Board at their first meeting following each annual meeting of the members of the Board. The Officers so elected shall be elected from the members of the Executive Board or other persons as the Board determines appropriate. Such Officers shall hold their respective offices for the term of one year or until their successors are elected and shall qualify, unless they shall resign, be removed, or become disqualified.

The following persons are hereby designated as the initial Officers of the Corporation:

President:	Donald D. Keirns
Vice President:	Ronald Beadell
Secretary:	Kathryn M. Beadell
Treasurer:	Wanda D. Keirns

12.02 Multiple Offices. Any two of the said offices may be held by the same person if the Executive Board shall so determine.

12.03 Vacancies. In case a vacancy or vacancies shall occur in any of said offices, the same may be filled for the remainder of the unexpired term by the Executive Board.

12.04 Removal of Officers. Subject to the rights reserved to the Declarant during the period of Declarant Control, upon affirmative vote of the majority of the entire Executive Board, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose.

12.05 Other Officers. During the period of Declarant Control the Declarant, and after the period of Declarant Control the Executive Board, may from time to time appoint other Officers of the Corporation, who shall perform such duties as may be assigned them. They shall hold such offices at the pleasure of the Declarant, or the Board, as applicable.

12.06 Compensation. No officer shall receive any compensation for services performed in the conduct of the Corporation's business unless such compensation is approved by the vote or written consent of a majority of the Executive Board; provided, that (1) Nothing herein contained shall be construed to preclude any officer from serving the Association in some other capacity and receiving compensation therefore; and (2) any officer

may be reimbursed for his or her actual expenses incurred in performance of his or her duties.

12.07 Committees. The Board may appoint such committees as deemed appropriate in carrying out its purposes.

12.08 Delegation of Duties and Powers. Upon resolution duly adopted, the Board may delegate any of its powers and duties or that of the Officers of the Association to other persons or to a managing agent. If any power relating to collection, deposit, transfer, or disbursement of Association funds to other persons or to a managing agent is made, the Board shall require the following:

A. The person or agent to whom the power or duty is delegated shall maintain fidelity insurance coverage or a bond in an amount as the Board may require; and

B. That such person shall maintain all funds and accounts of the Association separate from the funds and accounts of all others and shall maintain all reserve accounts of the Association separate from the operational accounts of the Association; and

C. That an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

The foregoing requirements shall be mandatory for so long as the same may be required by the Colorado Common Interest Ownership Act, and thereafter shall be discretionary with the Board.

ARTICLE XIII Duties of Officers

13.01 Duties of President. It shall be the duty of the President to preside at all meetings of the members and Directors of the Corporation. The President shall sign all contracts and other instruments in writing authorized by the Executive Board to be executed. The President shall be ex-officio a member of all committees and shall have the active management of and general supervision over the affairs of the Corporation. The President shall perform such other duties as may be required of the President by law, by these Bylaws, and by the Executive Board, and in general shall perform the duties and functions usually pertaining to and vested in the president of a corporation.

13.02 Duties of Vice President. It shall be the duty of the Vice President in case of absence, sickness, or other disability preventing the President from performing, or the refusal of the President to perform, the duties of that office, to perform and discharge the duties and

functions of the President, and such other duties as may be required of the Vice President by the Executive Board.

13.03 Duties of Secretary. The Secretary shall be ex-officio Secretary of the Executive Board, and of all standing committees. It shall be the duty of the Secretary to give proper notice of all meetings of the members and of the Executive Board of the Corporation, and to attend all such meetings and act as the clerk thereof; to keep, record, and preserve the minutes of all meetings of the members and directors in appropriate books; to sign all such minutes as Secretary, and to perform like duties for any standing committees when required; to have the custody of the corporate seal and records of the Corporation; to attest the affixing of the seal to all contract and other instruments in writing executed under the corporate seal of the Corporation; to have charge of and preserve all papers and documents of the Corporation not properly belonging in the custody of the Treasurer; and generally to perform such duties as usually pertain to the office of Secretary, and such as may be specifically assigned by the Executive Board. The Secretary shall also attend to the filing of all papers and reports required by law to be filed.

13.04 Duties of the Treasurer. The Treasurer shall be the custodian of the funds of the Corporation, and all securities, valuable papers and documents connected with and pertaining to the business of the Corporation which shall be kept in such depositories and in such manner as directed by the Executive Board. The Treasurer shall disburse the funds of the Corporation in accordance with directions from the Executive Board. The Treasurer shall keep a complete and proper record and account thereof, and vouchers for all funds disbursed, all of which shall be accessible for inspection by the other Officers or by the Executive Board. The Treasurer shall render to the Executive Board, whenever they may require, an account of all transactions and the financial condition of the Corporation, and perform such other duties as may be prescribed by the Executive Board. At the discretion of the Executive Board, the Treasurer may be required to give a good and sufficient bond with sureties thereon for the faithful performance of the duties of the office.

ARTICLE XIV Meetings of Directors

14.01 Regular Meetings. The Executive Board shall meet regularly, at least annually, at a place in the State of Colorado designated by the Board.

14.02 Special Meetings. A special meeting of the Executive Board may be called by or at the request of the President or any two (2) Directors upon not less than three (3) days notice to each Director.

14.03 Quorum. A quorum is deemed present throughout any meeting of the Board if persons entitled to cast fifty percent (50%) of the votes on that Board are present at the beginning of the meeting, and if a lesser number of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

In instances of a tie vote of a quorum of Directors, the way in which the President (or Vice President, if acting as President) voted shall carry; if neither the President or Vice President is present, the way in which the Secretary voted shall carry, and if the Secretary is not present, the way the Treasurer voted shall carry. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Executive Board, unless the act of a greater number is required by law or by these Bylaws.

14.04 Notice. Any Director may at any time waive the notice required to be given under these Bylaws, or action may be taken by unanimous written consent thereto without meeting. Any Board member may participate in a meeting by conference telephone or other communications equipment by which all persons participating can hear each other at the same time, and such participating shall constitute presence in person at the meeting.

ARTICLE XV Obligations of Members

15.01 Payment of Assessments. All members are obligated to pay, in accordance with the provisions of the Declaration, all assessments and other charges, fees, or fines imposed by the Corporation. All delinquent payments due shall be enforced, collected, and foreclosed in the manner provided in the Declaration.

15.02 Notice of Address and Mortgagees. Every member shall give written notice to the Secretary of the Corporation of his or her current address, and any change in such address. In addition, each member who encumbers his or her Lot shall notify the Secretary of the Corporation of the name and address of the beneficiary of such encumbrance, and shall likewise notify the Secretary of any release or discharge of such encumbrance.

15.03 Notice of Ownership Transfer. Every member shall report to the Secretary of the Corporation any change in ownership of a Lot, and shall provide any new designation of the person authorized to cast the vote for such Lot. The full names and addresses of all Owners and the person designated to cast the vote for a Lot shall also be provided at the time of any change in ownership, or any change in address or designation of the person authorized to cast the vote.

15.04 Rules and Regulations. Each member is required to comply with the rules and regulations adopted by the Board, and to further obtain compliance with such rules and regulations by all tenants, invitees, guests, and other persons making use of the Property under authorization or invitation from such member.

ARTICLE XVI Corporate Seal

The Executive Board shall have the power to select, and to alter at the pleasure of the Board, a corporate seal as it may deem appropriate.

ARTICLE XVII
Indemnification and Bonding

17.01 Indemnification. The Corporation shall indemnify its Directors, Officers, employees, agents, and members to the fullest extent allowed by law, including, but not necessarily limited to, that provided by Section 7-22-101.5, Colorado Revised Statutes, and any other statute or rule of law applicable. The Directors, Officers and voting members of the Corporation shall have the benefit of the limitations on personal liability for injury to person or property as provided by law, including but not necessarily limited to Section 38-33.3-311, and 7-108-402, Colorado Revised Statutes, and any other applicable statute or rule of law.

17.02 Fidelity Bonds. The Executive Board may require that all Officers and employees of the Corporation handling or responsible for Corporation funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

ARTICLE XVIII
Authorization

No Officer or member of this Corporation shall authorize or incur any debt or obligation on its behalf except by order of or pursuant to authority granted by the Executive Board.

ARTICLE XIX
Fiscal Procedures

19.01 Execution of Documents. All written obligations of the Corporation, including acceptances, contracts, agreements, deeds, and all other instruments in writing shall be signed with the corporate name by the President, or in the President's absence, sickness, or other disability, by the Vice President, and the corporate seal shall be affixed and attested by the Secretary.

19.02 Checks and Funds. All checks drawn on Corporation funds shall be signed with the corporate name by those Officers, one or more, as may be authorized by the Executive Board from time to time. The funds of this Corporation shall be deposited in such bank or banks as the Executive Board may from time to time determine.

19.03 Fiscal Year. The fiscal year of the Corporation shall be determined by the Executive Board, and having been so determined, is subject to change from time to time as the Executive Board shall so determine.

19.04 Reserves. The funds collected by the Executive Board from the members which are attributable to the replacement reserves, for maintenance costs which cannot normally be expected to occur on an annual basis, for emergency expenses, and for capital

improvements, shall at all times be held in trust for the members and shall not be commingled with other assessments collected from the members.

ARTICLE XX
Public Entity Assumes Obligations

At any time as any governmental or quasi-governmental entity shall undertake to maintain the Common Elements, the Executive Board may dissolve the corporation, which dissolution shall be made a matter of public record.

ARTICLE XXI
General Provisions

21.01 Amendments. Except as may otherwise be required by the Declaration, the Articles of Incorporation, or the applicable provisions of the Colorado Common Interest Ownership Act, these Bylaws, or any part thereof, may be amended, added to, or modified: 1) During the period of Declarant Control by the majority vote of the Executive Board if also consented to by the Declarant; and 2) after the period of Declarant Control, at any regular or special meeting of the membership at which a majority of the total votes of memberships qualified to vote is cast in favor of such amendment or modification; provided, however, that the proposed amendment shall be set forth in full in the notice of such meeting, and further provided that, no amendment shall be effective which is in contravention to the Declaration, or the Articles of Incorporation and no amendment affecting the rights of the Declarant shall be effective unless consented to in writing by the Declarant. The President, Vice President, or Secretary of the Association may each prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

21.02 Coordination With Other Provisions. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between rules or regulations adopted by the Board and these Bylaws, these Bylaws shall control.

THE UNDERSIGNED, being all of the members of the Executive Board of the Corporation hereby confirms that the foregoing Bylaws of said Corporation were adopted by our act on the 8 day of February, 1996.

DIRECTORS:

Donald D. Keirns
Donald D. Keirns

Kathryn M. Beadell
Kathryn M. Beadell

CERTIFICATE OF SECRETARY

I, the undersigned, do certify that:

1. I am the duly approved and acting Secretary of MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS ASSOCIATION, INC., a Colorado Nonprofit Corporation; and

2. The foregoing Bylaws, comprised of eighteen (18) pages including this page, constitute the Bylaws of the Corporation duly adopted at an organizational meeting of the foregoing signed persons being all of the members of the Executive Board of the Corporation held on the 8th day of February, 1996.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Corporation this 8th day of February, 1996.

Kathryn M. Beadell
Kathryn M. Beadell, Secretary



STATE OF COLORADO

DEPARTMENT OF
STATE
CERTIFICATE

I, VICTORIA BUCKLEY, Secretary of State of the State of Colorado hereby certify that ACCORDING TO THE RECORDS OF THIS OFFICE,

MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS
ASSOCIATION, INC.
(COLORADO NONPROFIT CORPORATION)

BECAME INCORPORATED UPON FILING ARTICLES OF INCORPORATION
DATED 08/11/95.

Dated: AUGUST 11, 1995

Victoria Buckley

SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
MEADOWBROOK HEIGHTS SECOND SUBDIVISION
HOMEOWNERS ASSOCIATION, INC.,
A COLORADO NONPROFIT CORPORATION**

51101565 M \$50.00
SECRETARY OF STATE
08-11-95 13:42

KNOW ALL MEN BY THESE PRESENTS that the undersigned person, acting as incorporator of this Corporation under the Colorado Nonprofit Corporation Act, signs and acknowledges the following Articles of Incorporation for such Corporation.

ARTICLE I: NAME

The name of this Corporation shall be MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS ASSOCIATION, INC., A COLORADO NONPROFIT CORPORATION.

ARTICLE II: EXISTENCE

This Corporation shall have a perpetual existence.

ARTICLE III: REGISTERED OFFICE

The address of the initial registered office of the Corporation is 816 East 57th Street, Loveland, Colorado 80538.

ARTICLE IV. REGISTERED AGENT

DONALD D. KEIRNS is hereby appointed the initial registered agent of this Association, whose office address shall be the initial registered office of the Association as set forth hereinabove.

ARTICLE V. PRINCIPAL OFFICE

The address of the principal office of this Corporation is 816 East 57th Street, Loveland, Colorado 80538.

ARTICLE VI. INCORPORATOR

The name and address of the Incorporator is:

DONALD D. KEIRNS
816 East 57th Street
Loveland, CO 80538

ARTICLE VII. PURPOSE

The purpose for which this Corporation is organized is to serve as the Association for owners of land in Larimer County, Colorado, described by a land survey plat ("Plat") entitled "MEADOWBROOK HEIGHTS SECOND SUBDIVISION, City of Loveland, Larimer County, Colorado," under a recorded Declaration of Protective Covenants, Conditions, and Restrictions ("Declaration"). The Corporation may conduct any lawful activity pursuant to the Colorado Nonprofit Corporation Act in fulfilling such purpose.

ARTICLE VIII. POWERS

In addition to all other powers lawfully enjoyed by it, this Corporation shall, subject to any exceptions, limitations, and provisions of the Declaration, have all powers granted associations by C.R.S. § 38-33.3-302.

ARTICLE IX. MEMBERS

The members of this Corporation shall at all times consist exclusively of all Owners of Lots within the said MEADOWBROOK HEIGHTS SECOND SUBDIVISION in Larimer County, Colorado, or upon termination of the common interest community, all former Owners of Lots entitled to distributions of proceeds under the Colorado Common Interest Ownership Act or their heirs, personal representatives, successors, or assigns.

ARTICLE X. DISSOLUTION

Upon dissolution of this Corporation, its assets shall be applied and distributed in accordance with C.R.S. § 7-26-103, pursuant to a plan of distribution adopted as provided in C.R.S. § 7-26-104.

ARTICLE XI. LIABILITY

As provided for in C.R.S. 38-33.3-303(2)(b), if not appointed by the Declarant, no member of the Executive Board and no officer shall be liable for actions taken or omissions made in the performance of such member's duties except for wanton and willful acts or omissions.

A director of the Association (also herein referred to as a member of the Executive Board) shall not be personally liable to the Association or to its members for monetary damages for breach of fiduciary duty as a director; except that this provision shall not eliminate or limit the liability of a director to the Association or to its members for monetary damages for: Any breach of director's duty of loyalty to the Association or its members; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; acts specified in C.R.S. § 7-24-111; or any transaction from which the director derived an improper personal benefit. (C.R.S. § 7-22-101(r))

The Association directors, officers, employees, and agents shall have the same powers, rights, and obligations and shall be subject to the limitation as applies to corporations for profit as set forth in C.R.S. § 7-22-101.5.

The Association and unit owners shall not be liable for actions based upon declarant's acts or omissions as set forth in C.R.S. § 38-33.3-311.

The Association may indemnify and advance expenses incurred by a director, officer, employee, or agent as provided in C.R.S. § 7-109-107.

The Association may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, fiduciary, or agent of the Association as provided in C.R.S. § 7-109-108.

No officer or director of the Association shall be personally liable for any injury to a person or property arising out of a tort committed by an employee unless such officer or director was personally involved in the situation giving rise to the litigation or unless such officer or director committed a criminal offense, as provided in C.R.S. § 7-108-402(2).

No member of the Executive Board of the Association shall be held liable for actions taken or omissions made in the performance of his duties as a Board member except for wanton and willful acts or omissions as set forth in C.R.S. § 13-21-116.

ARTICLE XII. EXECUTIVE BOARD - MANAGEMENT

The number of directors constituting the initial Executive Board of the Corporation is two (2), and the names and addresses of the persons who are to serve as the initial Directors are:

DONALD D. KEIRNS
816 East 57th Street
Loveland, CO 80538

KATHRYN M. BEADELL
2246 Glen Haven Drive
Loveland, CO 80538

The Corporation shall be managed by an Executive Board of not less than two (2) Directors nor more than five (5) Directors. The number of Directors will be stated in the Bylaws.

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Colorado, I, the undersigned, constituting the Incorporator of this Association, have executed these Articles of Incorporation this 10th day of August, 1995.

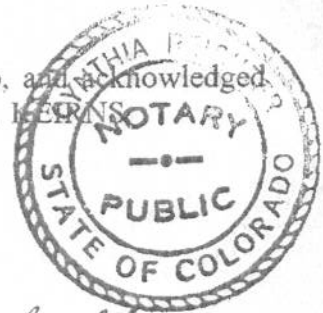
Donald D. Keirns
DONALD D. KEIRNS

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing Articles of Incorporation were subscribed, sworn to, and acknowledged before me this 10th day of August, 1995, by DONALD D. KEIRNS.

Witness my hand and official seal.

My Commission expires: 5/16/98.



Cynthia Reigter
Notary Public

THE UNDERSIGNED CONSENTS TO THE APPOINTMENT AS THE INITIAL REGISTERED AGENT OF MEADOWBROOK HEIGHTS SECOND SUBDIVISION HOMEOWNERS ASSOCIATION, INC., A COLORADO NONPROFIT CORPORATION.

Donald D. Keirns
Donald D. Keirns, Registered Agent