

**ARDIS W. SCHMITT.
EL PASO COUNTY CLERK & RECORDER**

DECLARATION OF COVENANTS

AND RESTRICTIONS OF

FOUNTAIN VALLEY RANCH HOMEOWNERS ASSOCIATION

THIS DECLARATION, made and entered as of this 1st day of September, 1994, by NEW GENERATION HOMES, INC., a Colorado corporation, hereinafter called "Declarant" for itself, its successors and assigns.

WITNESSETH:

WHEREAS, the Declarant is (hereinafter called the "Property"), and

WHEREAS, the Declarant desires to submit the Property to the covenants, terms and provisions hereof.

NOW THEREFORE, the Declarant hereby declares that all of the Property, as hereinafter described, with all appurtenances, facilities and improvements thereon, shall be held, sold, used, improved, occupied, owned, resided upon, hypothecated, encumbered, liened, and conveyed subject to the following easements, reservations, uses, limitations, obligations, restrictions, covenants provisions and conditions, all of which are the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and all of which shall run with the land and be binding on and inure to the benefit of all parties having any right title or interest in the Property or any part thereof their heirs, successors, and assigns.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to VALLEY RANCH HOMEOWNERS ASSOCIATION, INC., a Colorado nonprofit corporation, organized under the laws of the State of Colorado, its successors and assigns.

Section 2. "Owner" means any person, corporation, partnership, association, contract seller or other legal entity or any combination thereof, including Declarant, who owns the record fee simple interest in one or more lots and shall include the purchaser under any executory land sales contract wherein the Administrator of Veterans Affairs is seller, whether recorded or not, and whether owned by said Administrator or his assigns. The term "Owner" shall include any grantee, transferee, heir, successor, personal representative, executor, administrator,

devisee, and assign of any Owner but shall not refer to any Mortgagee as herein defined, or other person or entity having an ownership interest in any Lot merely as security for the performance of an obligation, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 3. "Property" shall mean and refer to that certain real property, together with all appurtenances thereto improvements now or hereafter thereon.

Section 4. " Expansion Property" shall mean and refer to that certain real property, which may be annexed to the Project pursuant to Article VI hereof, together with all appurtenances thereto and all improvements now or hereafter thereon.

Section 5. "Lot" shall mean and refer to any of the lots shown on any recorded plat of the Property, together with all appurtenances thereto and improvements now or hereafter thereon and shall include any Lot located upon any real property which is hereafter annexed to the Project pursuant to Article VI hereof.

Section 6. "Declarant" shall mean and refer to NEW GENERATION HOMES, INC., a Colorado corporation its agents, employees, contractors, successors and assigns to whom it expressly transfers in writing all or any part of its rights as Declarant hereunder, and its authorized representative

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "Mortgage" shall mean and refer to any mortgage, deed of trust or other assignment or comparable security instrument recorded in the real property records of the office of the Clerk and Recorder of the County in which the Property is located, and by which a Lot or any part thereof is encumbered. The term shall also include any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is the original seller, whether such contract is recorded or not (but if not recorded, then written notice thereof shall be delivered to the Board) and whether such contract is owned by the said Administrator or has been assigned by the said Administrator and is owned by the Administrator's assignee, or a subsequent assignee who has notified the Board in writing of such assignment.

Section 9. "First Mortgage" shall mean a Mortgage upon a Lot having priority of record over all other recorded encumbrances and liens thereon. except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments.) "First Mortgagee" means a mortgagee whose encumbrance is a First Mortgage.

Section 10. "Mortgagee" means any person or entity, or any successor or assign thereof, which holds or owns a Mortgage. The term shall also include the Administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executor land sales contract wherein the said Administrator is identified as the seller, whether such contract is recorded or not but if not recorded, then written notice thereof shall be delivered to the Board.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP. The following shall be members of the Association: The Declarant and every Owner of a Lot which is subject to assessment hereunder. Membership shall be appurtenant to and may not be separated from of any Lot. Ownership of such Lot shall be the Sole qualification for membership. In the event that additional property is annexed as provided in Article VI, the membership shall automatically be expanded thereby.

Section 2. CLASSES OF MEMBERSHIP The Association shall have two classes of voting membership.

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and each membership shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot which it owns. The Class B membership shall cease and be converted to Class A membership on the happening of the following events:

- (a) On the last day of the sixtieth (60th) month following the date of conveyance by Declarant o the first Lot to an Owner.

Section 3. NONLIABILITY OF ASSOCIATION AND OTHERS. The Board of Directors, the officers of the Association and the Declarant, including without limitation, the, officers, directors, employees, agents, and representatives of the Declarant, but not including its independent contractors or managing agents shall not be liable in damages or otherwise to any person whatsoever for any act or omission done as an officer, director, agent or representative on behalf of the Association, except for willful misconduct done in bad faith or gross negligence and shall be indemnified from all such liability as provided in the

Association's ByLaws.

ARTICLE III

COVENANT FOR ASSESSMENTS

Section 1 CREATION OF THE OBLIGATION FOR ASSESSMENTS. Each Owner, for each Lot owned within the Property, by acceptance of a deed therefor or interest therein, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association, in the manner, amounts and times prescribed herein, all assessments, charges, fees, fines, and other sums which are described in this Declaration and which shall be both a personal obligation of the Owner and a lien against his Lot as provided herein. Each Owner shall be jointly and severally liable to the Association for the payment of all assessments, charges, fees and other sums attributable to them and/or their Lot. The personal obligation for delinquent assessments and sums shall not pass to an Owner's Successors in title or interest. No Owner may waive or otherwise escape personal liability for the payment of the assessments, charges, fees and other sums provided for herein by nonuse of the Common Area of the facilities contained therein, by abandonment or leasing of his Lot, or by asserting any claims against the Association, the Declarant or any person or entity.

Section 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners.

Section 3. ANNUAL ASSESSMENTS. The annual assessment shall specifically include, but shall not be limited to the following common expenses:

- (a) Expenses of management;
- (b) Taxes and special assessments;
- (c) Premiums for all insurance which the Association is required or permitted to maintain;
- (d) Wages for Association employees;
- (e) Legal and accounting fees;
- (f) Any deficit remaining from a previous assessment year;
- (g) A working capital fund;
- (h) The creation of reasonable contingency reserves, surpluses and sinking funds, and;

- (i) any other costs, expenses and fees which may be incurred or may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

The Association shall also have authority, to the extent it deems proper, to provide any other services requested by particular Owners, but only on a contract basis under which those Owners pay the cost thereof. The Association may enter into cooperative arrangements for provision of services with other homeowner associations in the surrounding area and may assume responsibility for that part of the cost fairly attributable to the Common Area.

Section 4. LIMIT ON ANNUAL ASSESSMENTS. For the year in which the Lot is conveyed to an Owner and during the following four calendar years, the maximum annual assessment shall be twenty-four dollars (\$24.00). For all subsequent calendar years, the maximum annual assessment may be increased each year, without a vote of the membership, not more than the rise, if any, of the most annual Consumer Price Index (published by the Department of Labor, Washington, D.C. or any comparable successor index) for the Denver metropolitan area.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to any Owner, the maximum annual assessment may be increased above the limitation which is set forth in subparagraph (a) above, by the procedure set forth in Section 5 of this Article.
- (b) The Association's Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 5. PROCEDURE FOR ASSESSMENT UNDER SECTION 4. Any assessment requiring a vote of the Members under Section 4 of this Article shall require the assent of two-thirds (2/3) of the votes of each class of in person or by proxy at a meeting duly called for that purpose. Written notice of any meeting called for the purpose of such action shall be sent to all Members not less than (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence's of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meetings

Section 6. RATE OF ASSESSMENT. Except as provided herein, annual assessments must be fixed at a uniform rate for all Lots

sufficient to meet the expected needs of the Association, provided however, notwithstanding any provision herein to the contrary, the Declarant and all Lots owned by Declarant shall be subject to assessment or other charge under this Declaration only as provided as follows: Any unimproved Lots which are owned by Declarant and which are leased, rented, or otherwise occupied as a residence shall, commencing on the date of occupancy thereof, be assessed at the same rate as other Lots. All other Lots owned by the Declarant shall be assessed or charged at a rate equal to ten percent (10%) of the annual and special assessment or other charge rate for the Lots until the end of the annual assessment period in which the Class B membership ceases pursuant to Article II, Section 2. In the event the annual assessment and charges due to the Association fail to meet its needs because of such partial Declarant assessment, then Declarant shall, upon written notice from the Association, pay a Sufficient amount, up to the amount of full parity on such assessment, to the Association to meet any such shortfall so long as such notice must be given within one (1) year after the end of each annual assessment period and is waived if not made in such timely manner (such final one year period to terminate one (1) year after the date of closing of the last Lot. owned by Declarant within the Property).

Section 7. ASSESSMENT PROCEDURE

- (a) Annual Assessments. No later than thirty (30) days before the beginning of each annual assessment period, the Board of Directors of the Association shall set the total annual assessment based upon advance budget of the cash requirements needed by it to for the administration and performance of its duties during the following assessment year. That annual assessment shall be payable for each assessment year by April 1 of that year unless the Board otherwise directs. The Association shall cause to be prepared, delivered or mailed to each Owner, at least thirty (30) days in advance of each annual assessment period, a payment statement setting forth the annual assessment. The annual assessments provided for herein shall commence, as to a particular Lot, upon the conveyance of -that Lot from the Declarant the first Owner, other than a purchaser of all of the Lots. If the date of that conveyance is other than the first day of a month, assessment shall be prorated. On all sales of Lots by Declarant, Declarant will collect at closing the assessment for the next twelve months from the Owner.
- (b) Notice. Failure of the Board to give timely notice of any assessment as provided herein shall not affect the liability of the Owner or his Lot for such assessment, but if notice is not given, the date when payments shall be due shall be deferred to a date after such notice given.

Section 8. CERTIFICATE OF PAYMENT. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the

assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 10. EFFECT OF NONPAYMENT OF ASSESSMENTS-REMEDIES OF THE ASSOCIATION.

- (a) General. Any assessments, which are not paid when due, shall be delinquent. If any assessment is not paid when due, the Association may impose a late charge/administrative fee not to exceed ten dollars (\$10.00) per delinquent monthly assessment. Any assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against such Owner's Lot. and or may suspend the delinquent Owner's right to vote and the right to use the Common Area. In the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorneys' fee to be fixed by the court, together with the expenses, late charges and costs of the action.

- (b) Lien. Any unpaid assessment, charge, fee or other sums assessed against an Owner or his Lot, including without limitation with interest thereon at the rate of eighteen percent (18%) per annum, an administrative charge of ten dollars (\$10.00) per unpaid monthly assessment or other sum, court costs and all other collection costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien, in favor of the Association, upon the Lot against which each such assessment or other sum is made. All payments on account shall be first applied to interest, the late charge, any costs or fees, and then to the assessment payment first due. The Board may enforce such lien by filing with the Clerk and Recorder of the County in which the Property is located a statement of lien with respect to the Lot, setting forth the name of the Owner, the legal description of the lot, the name of the Association and amount of delinquent assessments then owing. The lien statement shall be duly signed and acknowledged by an officer or authorized agent of the Association, and notice thereof shall be mailed to the Owner of the Lot, at the address of the Lot or at such other address as the Association may have in its records for the Owner of the Lot. Such a claim of lien shall also secure all assessments, charges, fees and sums which come due thereafter until the lien, together with all costs, attorneys' fees, administrative charges and interest have been fully paid or otherwise satisfied. Thirty (30) days following the mailing of such notice, the Board may proceed to foreclose the statement of lien in the same manner as provided for in the foreclosure of mortgages under the statutes of the State of Colorado. Foreclosure or attempted foreclosure by the

Association of its lien shall not be deemed to estop or otherwise preclude the Association from suing the Owner personally liable therefor or from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments, charges, fees or other sums, which are not fully paid when due.

- (c) Authority. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and -to enforce. the aforesaid lien by all methods available for the enforcement of such liens, Including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or deed of trust lien on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association, acting on behalf of the Lot Owners shall have the power to bid at foreclosure sale and to acquire and hold, lease, mortgage and convey the same, if acquired by the Association at the foreclosure sale or by deed in lieu of foreclosure.

Section 10. SUBORDINATION OF THE LIEN TO MORTGAGES. The, lien of the assessments provided for herein shall be subordinate to the lien of any purchase money loan evidenced by a First Mortgage of record (including deed of trust) and to any executors land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not. Sale or transfer of any Lot shall not affect the lien for said assessment charges except that sale or transfer of any Lot pursuant to foreclosure of any such mortgage or any such executory land sales contract, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of assessment charges which became due prior to any such sale or transfer, or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of any such executory land sale contract shall relieve any Lot from liability for any assessment charges thereafter becoming due nor from the lien thereof.

Section 11. NOTICE TO MORTGAGEES AND INSPECTION OF BOOKS. Upon written request, a First Mortgagee shall be entitled to written notification from the Association of any default in the performance by the Owner of any obligation under this Declaration and/or the ByLaws of the Association, which is not cured within

sixty (60) days, after the Board of Directors has actual knowledge thereof, and the First Mortgages may, at its option but without any obligation, cure such default. The Association shall grant to each First Mortgages the right to examine the books and records of the Association at any reasonable time.

Section 12. HOMESTEAD. The lien of the Association assessments shall be superior to any homestead or other exemption as is now or may hereafter be provided by Colorado or Federal law. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead exemption as against said assessment lien.

Section 13. EXEMPT PROPERTY. The following Property subject to this Declaration shall be exempt from the assessments created herein: (a) all Property dedicated to and accepted by local public authority; and (b) the Common Area.

ARTICLE IV

MERGER

Section 1. Merger. The Association may merge with one or more homeowner's associations in the surrounding area on such terms and conditions as may be agreed upon to by two-thirds (2/3) of each class of Members and by (2/3) of all First Mortgagees. The surviving entity in any such merger or affiliation shall be the Association for purposes of this Declaration.

ARTICLE V

ADDITIONAL- RESTRICTIONS

Section 1. RESTRICTIONS UPON ASSOCIATION AND OWNERS. Unless at least (2/3) of the First Mortgages (based upon one (1) vote for each First Mortgage owned or held) and two-thirds (2/3) of each class of Members have given their prior written approval, neither the association nor the Owners shall be empowered or entitled to do any of the following:

- (i) by act or omission, seek to abandon or terminate this Declaration or enforcement thereof, as set forth in this Declaration, regarding the Common Area;
- (ii) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer any of the Common Area
- (iii) fail to maintain full, current replacement cost fire and extended insurance coverage on the Common Area (this requirement applies to the Association only), and such other insurance as is required under this Declaration; or

use hazard insurance proceeds for loss to the improvements for other than repair, replacement or reconstruction of such improvements as herein provided.

Section 2. ADDITIONAL RESTRICTIONS DURING DECLARANT CONTROL. In addition to the provisions of Section 1 of this Article, after the Declarant has obtained evidence of guaranty by Federal Housing Administration or the Veterans Administration and continuing until such time as the Class B membership has terminated, the prior written approval of the Veterans Administration of Federal Housing Authority of the U. S. Department of Housing and Urban Development shall be required for any of the following:

- (a) Amendment of this Declaration;
- (b) Amendment of the Articles of Incorporation or the By-Laws of the Association;
- (c) Annexation of all or any part of the Expansion Property to this Declaration;
- (d) Encumbering or mortgaging of all or any part of the Common Area;
- (e) Dedication of all of any part of the Common Area; or
- (f) Merger, consolidation or dissolution of the Association.

ARTICLE VI

PHASED DEVELOPMENT

Section 1. RIGHT TO EXPAND. For a period continuing until seven (7) years from the date hereof, Declarant reserves the right to expand this Project to include all of any part of the Expansion Property and including without limitation any additional Common Area improvements located thereon, provided, however, that the total number of Lots in the Project, as expanded, shall not exceed (_____) (_____). By accepting a deed to a Lot, each Owner hereby grants to Declarant a right to expand and to modify the Owner 's interest in the Common Area accordingly, as hereinafter set forth in this Article.

Section 2. PROCEDURE FOR EXPANSION. Such expansion may be accomplished by the filing for record by Declarant with the Clerk and Recorder of the County in which the Project is located, not later than seven (7) years from the date of this Declaration, a supplement or supplements to this Declaration continuing a legal description of the land area to be added to the Project together

with any supplemental plats which may be required. Any such supplement to this Declaration shall also contain a listing of the number of Lots to be contained in the expanded portion of the Project. The expansion may be accomplished in "phases" by successive supplements.

Section 3. EFFECT OF EXPANSION.

- (a) In the event of such expansion, the definitions used in this Declaration shall automatically be expanded to encompass and refer to property described herein plus any additional real property added by any supplement to this Declaration. References to this Declaration shall mean this Declaration as so supplemented. Every Owner of a Lot in the land added shall, by virtue of such ownership, be a member of the Association and shall be entitled to the same rights and privileges and subject to the same duties and obligations as any other Association member. Any Common Area, which is located within the land added as provided herein, shall be conveyed to the Association by the Declarant at the time of conveyance of the first Lot and shall thereafter be owned by the Association subject to the provisions of this Declaration and the Association's Articles of Incorporation, ByLaws and rules and regulations.
- (b) Upon recording of the supplement(s) to Declaration and any supplement plat with the Clerk and Recorder of the County in which the Project is located, the additional Lots and Common Area shall be subject to the provisions of this Declaration.
- (c) At such time, within seven (7) years of the date hereof, that the Declarant determines that the Project is completed, he shall record with the clerk and Recorder of the County in which the Project is located, a Certificate of Completion. Said Certificate shall contain a statement of the total number of Lots.
- (d) Until the expansion of the Project is accomplished by recording the supplement(s) to this Declaration and supplemental plat(s), the Expansion Property and any improvements constructed thereon shall not be subject to this Declaration in any way whatsoever, including but limited to consideration for the purpose, of apportioning assessments or determining voting rights or privileges. If such expansion does not occur, nothing contained in this Declaration or otherwise shall restrict, impair, hinder, encumber or burden, in any way whatsoever, Declarant's, or its successors or assigns, sole and complete right, title and interest to the Expansion Property and any improvements constructed thereon.

ARTICLE VII

GENERAL IMPROVEMENTS

Section 1. ACCEPTANCE OF PROVISIONS OF ALL DOCUMENTS. The conveyance or encumbrance of a Lot or the improvements thereon shall be deemed to include the acceptance of all provisions of this Declaration, the Articles of Incorporation of the Association and the Association's By-Laws and rules and regulations, all of which shall be binding upon each Owner, his heirs, personal representatives, family, guests, tenants, successors, assigns, and everyone having an interest in the Lot without the necessity of inclusion of an express provision in the instrument of conveyance or encumbrance.

Section 2. ENFORCEMENT. The Association, the Declarant (only so long as the Declarant owns any Lot or any interest in the Expansion Property) or any Owner shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, the Declarant or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to all other remedies, the Board of Directors shall have the right, after notice and an opportunity of hearing, to impose upon any Owner a fine not to exceed Fifty Dollars (\$50.00) per occurrence for any breach by that Owner of the provisions of this Declaration, the By-Laws and/or the Association's rules and regulations. All rights and remedies provided in this Declaration are distinct and cumulative to any other right or remedy hereunder or afforded by law or equity, and may be exercised concurrently, independently or successively.

Section 3. NON-WAIVER. Any forbearance or failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or- of any other provision of this Declaration or of any other provision of this Declaration or of any subsequent enforcement of any such provision. The rights and remedies of the Association are distinct and cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently, independently or successively without effect or impairment upon one another.

Section 4. CUMULATIVE. Each of these covenants is cumulative and independent and is to be construed without reference to any other provision dealing with the same subject matter or imposing similar or dissimilar restrictions. A provision shall be fully enforceable although it may prohibit an act or omission sanctioned or permitted by another provision.

Section 5. SEVERABILITY. Invalidation of any of these covenants or restrictions by judgment or court order shall in no way affect or limit any other provisions which shall remain in

full force and effect.

Section 6. CONFLICTS OF PROVISIONS. In case of conflict between this Declaration and the Articles of Incorporation or the By-Laws, this Declaration shall control.

Section 7. DURATION AND AMENDMENT. Each and every provision of this Declaration shall be binding upon each and every Owner, his heirs, successors, assigns and personal representatives and shall run with and bind the land for a term of twenty (20) years from the date of recording of this Declaration, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each. This Declaration may be amended, modified or terminated by an instrument signed by not less than seventy-five percent (75%) of the Members of all Classes duly recorded in the office of the Clerk and Recorder of the County in which the Property is located; provided, however, (a) that any section in this Declaration which requires a particular percentage of Owners and/or Mortgagees may be amended only by written consent of that percentage of those parties, (b) that this section may be amended by an instrument signed by ninety percent (90%) of the Members of all classes, and one hundred percent (100%) of all First Mortgagees who have given the Association notice of their lien, and (c) that the Declarant hereby reserves the right to make such amendments, without vote of the Owners, as may be required by primary or secondary lending institutions or agencies, or insurers or as may be required to induce such organizations to make, purchase, sell, insure guarantee First Mortgagees covering any portion of the Property, or as may be required to correct any typographical or Clerical error, and each Owner and each Mortgagee by accepting a deed, mortgage or other instrument affecting a Lot, and the acceptance thereof shall be deemed to be a grant and acknowledgement of and a consent to the reservation of the power to the Declarant to execute and record any such amendments.

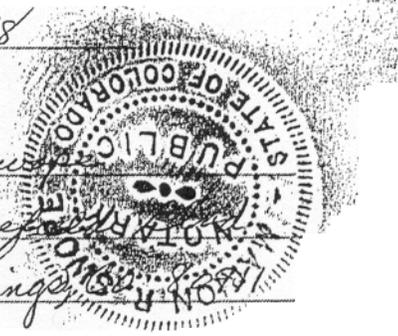
Section 8. REGISTRATION BY OWNER OF MAILING ADDRESS. Each Owner shall register his mailing address with the Association, and except for statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be service upon the Board of Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to the registered agent of the Association at his address filed with the Secretary of State of the State of Colorado, together with a copy addressed to the President of the Association at his registered address.

Section 9. ASSIGNMENT OF DECLARANT'S RIGHTS. The Declarant may assign its right and authority hereunder, in whole or in

Witness my hand and official seal

My commission expires: March 26, 1998

Marion R. Scupper
Notary Public
Address: 3 Widenfeld
Colorado Springs, CO



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