

NEW COVENANT PROPOSAL COVER SHEET

The current official version of our covenants was developed on May 2, 1990, and last amended on October 20, 2003. Since its development, there have been numerous changes in the ways that we govern ourselves and conduct our business. The attached proposed covenants are designed to update our current covenants to reflect these changes.

The text that is written in black is the original wording from our current covenants or it is reworded to incorporate grammatical changes or changes recommended by the AIA attorney. The text that is written in red (**text**) is the wording that the Committee recommends be removed and the blue (**text**) is new wording that the Committee recommends be included.

The recommended changes are summarized below.

Proposed Changes:

INTRODUCTION – Removal of James F. Squirrell from the partnership with the Arrowhead Improvement Association in the covenants because this is no longer needed. The wording in this section has been updated from the current covenants to include the fact that this is now an Amended Declaration of Protective Covenants per the AIA attorney’s recommendation.

The Ridges at Arrowhead in Gunnison Country is a second subdivision that was created in 1993 adjacent to the main Arrowhead subdivision, called Arrowhead in Gunnison Country Subdivision. It includes five lots north and west of the Fire House and eight lots just south of Hazel Lake (addresses 10, 20, 30, 40, 50, 60, 70, and 80 Hazel Lake Drive). When “The Ridges” was created, all of the land was made subject to the Declaration of Protective Covenants of the Arrowhead in Gunnison Country Subdivision. At that time, the property owners of Arrowhead in Gunnison Country Subdivision agreed to accept responsibility for control of the activities on the land contained in “The Ridges”. The Common Ground contained within “The Ridges” has been deeded to the Arrowhead Improvement Association. Therefore, The Ridges at Arrowhead in Gunnison Country has been incorporated into this Amended Declaration of Protective Covenants in order to continue to make these amended covenants legally binding on this second subdivision.

ARTICLE I: Purpose

No changes.

ARTICLE II: Definitions

1. Definition **1 DECLARATION** is new and was added on the AIA attorney's recommendation. It simply states that the term DECLARATION as used in this document means this Amended Declaration of Protective covenants.
2. The definitions for **2 ASSOCIATION, 3 BOARD OF DIRECTORS, and 4 COMMON AREAS** remain unchanged from the current covenants.
3. The definition for **5 DESIGN REVIEW COMMITTEE** is changed to reflect that the members of this committee are recommended by the Design Review Committee and *approved* by the Board. The new name for the old "Design Guidelines" mentioned is now the "Design Requirements and Guidelines."
4. The definition for **7 HOME OCCUPATION** is unchanged.
5. The definition for **8 NON-OPERATIONAL VEHICLES** was clarified from the current title of ABANDONED VEHICLES because this definition applies to non-operational vehicles.
6. The definitions for **9 OWNER, 10 PLANS, 11 SINGLE FAMILY RESIDENCE, 12 SITE, and 13 QUORUM, and 14 CAPITAL EXPENDITURES FOR IMPROVEMENTS** are essentially unchanged from the current covenants as amended in October 2003.
7. The definition for **15 THE RIDGES AT ARROWHEAD IN GUNNISON COUNTRY** is new and defines the lots contained in this second subdivision at Arrowhead. It also documents three additional restrictions that apply to this subdivision.

ARTICLE III: The Association

The original ARTICLE III: Design Review (See pages 3 through 6 of the current official covenants.) was removed from this document because all of the items in this Article are now contained in the Design Requirements and Guidelines document.

The new proposed **ARTICLE III The Association** is ARTICLE VI in the current covenants (See pages 14 through 18 of the current official covenants.)

1. Changes in the introduction of **1 Powers and Duties** reflect the incorporation of "The Ridges at Arrowhead" into this Amended Declaration and change the name of the "Design Guidelines" to "Design Requirement and Guidelines". Also included per the AIA attorney's recommendation is a reference to the Colorado Revised Statutes that provide the Association with these powers and duties.
2. **Powers and Duties Item b** is the same as before with the inclusion of the name change for the "Design Requirements and Guidelines."
3. **Powers and Duties Item c** was reworded from the current covenants to give the Association the responsibility for establishing the design requirements and guidelines in addition to approving them.
4. **Powers and Duties Items d through j** are essentially unchanged from the current covenants.

5. **Powers and Duties Item k** is shortened because the October 2003, amendment to the covenants stipulates that capital improvements in excess of \$100,000 require an affirmative vote of more than 50% of a quorum of owners. This statement is incorporated into this Amended Declaration in Article II, Item 14. , the definition for Capital Expenditures for Improvements on page 3, and in Article III, Item 3b. Capital Expenditures on page 5.
6. The **2 Membership and Voting Rights** section is updated to reflect that the identity of the voting member is now reported to the Association (currently our Business Manager) rather than specifying the Association Secretary. The paragraph regarding “sites held by the Developer that have never been sold..” no longer applies and was removed.
7. Changes in the introduction to **3 Assessments of Members** (See page 4 of the current official covenants.) reflect the changes made in the October 2003 amendment to the covenants.
8. Under **3 Assessments of Members Items a, b, c** come from the October 2003 amendment to the covenants. Changes recommended in these items reflect clarification and simplification of the language in this amendment.
9. Under **3 Assessments of Members, Item d** is new and gives the Association the authority to act responsibly in the event of an Emergency in order to protect the development and the safety of its occupants.
10. Under **3 Assessments of Members, Item e** comes from the October 2003 amendments to the covenants.
11. Under **3 Assessments of Members, Item f** comes from the original covenants adopted in May 1990 beginning with the last paragraph on page 16 through the end of page 17.
12. The last paragraph of **Section 3 Assessment of Members** on the bottom of page 17, stating that, ”Sites held by the Developer, which have never been sold ... are not subject to assessment by the Association” was removed because it is no longer appropriate.
13. Paragraph 4. Developer’s Temporary Powers (See page 18 of the current official covenants.) is no longer needed and the Committee recommends that it be removed.

ARTICLE IV: Use of Sites

This is from ARTICLE IV of the current official covenants (See page 6 in the current covenants.).

1. The title of **Item 1 Single Family Residence Use Only** was reworded to in order to be consistent with our definitions. Two new sections have been added to this Item. **Section a** deals specifically with residential buildings and **Section b** deals with recreational vehicles.
2. **Section c Accessory Buildings** is from the current covenants (See page 6, Article IV: Use of Sites, Section 2 in the current official covenants.) and was relocated under **Item 1 Single Family Residence Use Only** in the Amended Declaration of the Covenants. Special regulations are provided for both garages and sheds.

3. **Items 2 through 5** in the proposed Amended Declaration of the Covenants are taken directly from the current official covenants and include Items 4 through 7 on pages 6 and 7 of the current official covenants.
4. **Item 6** in the proposed Amended Declaration of the Covenants is new and covers the requirements for waste disposal for campers.
5. **Items 7 through 30** in this Article as proposed are copied from the current official covenants on pages 7 through 11 with minor additions and rearrangements.
6. **Item 31** in this Article is new and provides regulations regarding fire prevention and protection.

ARTICLE V: Ownership and Use of Common Areas

This is the same as Article V from the current covenants (See pages 11 through 14 of the current official covenants.)

1. **Item 3, paragraph a**, establishes a committee appointed by the Board to manage the riding facilities and adds a health requirement for all horses using these facilities. One of the functions of this committee will be to establish rules and requirements for using these facilities and therefore, the last three sentences in paragraph b of the current covenants have been removed.
2. **Item 5 Removal of Trees from Common Areas** now requires that all slash generated on common grounds be removed. It also allows homeowners to drive ATVs, trailers, trucks and other needed equipment on common grounds as necessary when conducting forest mitigation activities.
3. **Item 8 Traffic** has been revised to provide for the safe operation of all motorized vehicles.
4. **Item 9 Camper Dump Station** has been edited to remove mention of the actual location of the site (which is now near the winter parking lot).
5. **Items 12 Motorized Vehicles and 13 Winter Parking** are new and regulate the use of motorized vehicles to roads and designated trails and provide for the winter parking lot. **Item 13** also states that the Association may establish fees for such things like electrical power at the diesel parking spots and trailer storage.

ARTICLE VI: General Provisions.

Article VII: Enforcement and Article VIII: General Provisions from the current official covenants (See pages 18 through 20.) were combined to produce **ARTICLE VI: General Provisions** in the proposed covenants.

1. **Item 8 Amendment** has been reworded on the advice of the AIA attorney and the requirement of “more than 50% of the owners” for amendment of these covenants as stated in the October 2003 amendment was kept.
2. **Item 9 Procedure for Existing Non-Conforming Uses** is unchanged except for referring to the Design Requirements and Guidelines document.
3. **Item 10 Change in Voting Percentages** is unchanged.
4. **Items 11 Liberal Construction, 12 Interpretation, and 13 Removal of Directors** are new and are needed to comply with Colorado State law.