



**ARROWHEAD IMPROVEMENTS
ASSOCIATION**

ARROWHEAD
IN GUNNISON COUNTRY

DECLARATION OF PROTECTIVE
COVENANTS AND RESTRICTIONS

RECORDED MAY 2, 1990
GUNNISON COUNTY
RECEPTION NO. 419911



THE RIDGES AT ARROWHEAD
IN GUNNISON COUNTRY

DECLARATION OF PROTECTIVE
COVENANTS

RECORDED AUGUST 24, 1993
GUNNISON COUNTY
RECEPTION NO. 444806

The following copy of the Arrowhead in Gunnison Country Subdivision Declaration of Protective Covenants and Restrictions is a composite of the Declaration recorded on May 2, 1990, in the office of the Gunnison County Clerk and Recorder in Book 677 at Page 680, Reception Number 419911, the Amendments to Arrowhead in Gunnison Country Subdivision Declaration of Protective Covenants and Restrictions recorded on October 30, 2003, in the office of the Gunnison County Clerk and Recorder at Reception Number 536257, and The Ridges at Arrowhead in Gunnison Country Declaration of Protective Covenants recorded on August 24, 1993, in the office of the Gunnison County Clerk and Recorder at Reception Number 444806. This composite copy is being furnished for your convenience; however, it is not a legal document and should not be relied upon without reference to the recorded Declaration and Amendments.

**ARROWHEAD
IN GUNNISON COUNTRY SUBDIVISION
DECLARATION OF PROTECTIVE COVENANTS
AND RESTRICTIONS**

James F. Squirrell, developer, and the Arrowhead Improvements Association, Incorporated, representing its members, being the owners of all of the real property situated in the County of Gunnison, State of Colorado do, known as Arrowhead in Gunnison Country Subdivision, Filings No. 1 recorded by plat on February 5, 1974, under Reception No. 298784; No. 2 recorded by plat on January 26, 1979, under Reception No. 335 299; and No. 3 recorded by plat on May 20, 1980, under Reception No. 350190, and any subsequent filings so recorded in the records of the Gunnison County Clerk and Recorder, make, declare and establish the following limitations, conditions, restrictions and use s upon all of the above described real property a s restrictive and protective covenants running with the land and binding upon the Declarants and upon all persons or entities claiming by, through, or under them and up on all future owners of all or an y part of the re al property within Arrowhead in Gunnison Country Subdivision. This Declaration is in effect and binding upon recordation and any prior Declaration and amendments thereto will then be null and void.

ARTICLE I: Purpose

It is the intention of the Declarants, expressed b y their execution of this instrument, that the real property above described be developed and maintained as a highly desirable, rural residential and recreational area. It is the purpose of these covenants that the present natural beauty, natural growth and native setting and surroundings of Arrowhead in Gunnison Country Subdivision, and the property values and amenities thereon shall always be protected insofar as is possible in connection with the uses and structures permitted by this instrument and that high standards of architectural quality be maintained.

ARTICLE II: Definitions

1. **ABANDONED VEHICLE:** Any non-operational motorized vehicle including but not limited to cars, trucks, recreational vehicles, motor homes, campers, snowmobiles, which remain in a non - operational status for a period of 60 consecutive calendar days. This shall not include operational vehicles parked in the area designated for winter parking by the Association, stored within an approved enclosure, or kept on sites upon which a residence has been constructed.
2. **ASSOCIATION:** The Arrowhead Improvements Association, Inc., a Colorado corporation organized to take title to the common areas and roads, to regulate the use of sites and common

areas in conformity with this Declaration, to adopt and enforce design guidelines for implementation of these covenants and to assess members therefore.

3. BOARD OF DIRECTORS: The Board of Directors of the Association elected in accordance with this Declaration and the Articles and Bylaws of the Association.

4. COMMON AREAS: The land designated by the Developer on the recorded plats for Arrowhead in Gunnison Country Subdivision as reserved for the mutual use and benefit of site owners. The title to the common areas will be held by the Association and the use of same, regulated thereby in conformance with this Declaration. All such areas shall remain in their natural condition or may be developed by the Association for the benefit of the site owners. In no event may the Association encumber by debt or sell the common areas.

5. DESIGN REVIEW COMMITTEE: A committee appointed by the Board of Directors to exercise all the duties and responsibilities regarding design review set forth in this instrument and the Design Guidelines authorized herein.

6. DEVELOPER: The term used to designate James F. Squirrell, his heirs, executors, administrators and assigns, and the Squirrell Trust.

7. HOME OCCUPATION: A use conducted totally within the confines of a single family residence which is incidental to and secondary to use of the residence for residential purposes and which does not change the residential character thereof nor the residential character of the neighborhood, and in which any noise or activity related to such incidental and secondary use does not interfere with the quiet and dignity of the neighborhood. No person other than the occupants may be employed for such home occupation use.

8. OWNER: The record owner, whether one or more persons or entities, of a fee simple title to any site which is a part of Arrowhead in Gunnison Country Subdivision excluding those having an interest merely as security.

9. PLANS: Documentation sufficient as determined by the Design Review Committee or set forth herein to enable the Committee to review proposed construction or improvements for the purpose of approval or denial thereof. The Design Review Committee may set reasonable standards with approval of the Board of Directors for plans submitted in keeping with this Declaration.

10. SINGLE FAMILY RESIDENCE: A building used and designed exclusively for occupancy by one family and its guests except as set forth in Paragraph 7 hereof.

11. SITE: A lot within the subdivision reserved for sale to individual owners for use as a single-family residence or single-family campsite. Ownership of a site carries with it compulsory membership in the Association.

12. QUORUM: A quorum shall exist if persons entitled to cast 60% of the votes which may be cast, return their ballots.

ARTICLE III: Design Review

1. The Design Review Committee shall be appointed from members of the Association or the Developer by the Board of Directors, who shall set the number of members thereof. The members shall perform services pursuant to this Declaration as directed by the Board of Directors. A majority vote of the members of the Committee shall be sufficient for all decisions. The members of the Committee shall be entitled to reimbursement for out-of-pocket expenses incurred in the performance of their duties and may use the services of a consultant and charge a reasonable, non-refundable sum not exceeding \$100 for each set of plans submitted in order to defray such expenses. Any consultant used shall not have the power to vote upon any plan.

The Committee shall act upon any plans submitted to it within 60 days of receipt thereof unless it notifies the owner who submitted such plans that the information provided is insufficient for it to take action. Failure by the Committee to act on plans submitted to it within 60 days shall be deemed to be approval thereof, unless additional information was requested from the owner within 60 days of receipt of the plans. The Committee shall keep a written record of all actions taken and shall retain one copy of all plans submitted.

The Committee may meet in person, by telephone or by mail and may make such rules and regulations and adopt such procedures as are appropriate to govern its proceedings. The Committee and the Board of Directors shall not be liable for any damages to any person or entity submitting plans for approval or to any owner of land within Arrowhead in Gunnison Country Subdivision by any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to any plan. Any person or entity acquiring title to any property in Arrowhead in Gunnison Country, or any person submitting plans to the Committee for approval, by so doing does agree and covenant that he or it will not bring any action or suit to recover damages against the Committee, its members as individuals, the Board of Directors, its members as individuals or its advisors, employees or agents.

2. Plan Submittal

No building or remodeling of any building, fence, wall or other structure or leveling and/or removal of dirt and rocks or the cutting of living trees and other plant life shall be commenced, erected, or maintained until the plans and specifications therefore have been submitted to the Design Review Committee. Such submittal shall include but may not be limited to:

- a. A plot plan showing the location of any improvement whatsoever including but not limited to any building or structure, driveway, utilities, storage areas, dog runs, interior fences, etc.
- b. Plans and specifications of sufficient specificity for Committee review for any structure or improvement prepared by the site owner, a contractor, an architect or a professional engineer.
- c. Samples of the principal exterior walls and roof materials and color schemes for same.

The Committee shall review and act upon any plans before a building permit is sought from Gunnison County, and a copy of the Design Review Permit shall be provided by the Committee to Gunnison County and the owner.

In acting upon plans submitted to it, the Committee shall require compliance with this Declaration and the Design Guidelines. The Committee will consider the suitability of the proposed plan and/or structure and the harmony thereof with the environment and character of the neighborhood, the effect of such structure on the utilization and view of the site upon which it will be built and any obvious interferences, impairment or restrictions of view of adjacent property as well as placement of structures with respect to topography, ground elevations and existing natural and terrain features. The Association, acting through its Board of Directors, has adopted and, from time to time, may amend Design Guidelines consistent with the express provisions or implied purposes of this Declaration of Protective Covenants. Said Design Guidelines govern, but are not necessarily limited to, the following: use of sites within Arrowhead in Gunnison Country Subdivision; animal and pet control; noxious, offensive or dangerous activities; nuisances; maintenance; financial matters; procedures for enforcement of these Covenants and the Guidelines themselves; interpretation and clarification of the Covenants and Guidelines; building and vegetation control; and design and construction matters.

3. Driveways

Driveway design and layout is subject to review by the Design Review Committee or its appointee to minimize costs for installation of driveways or connection to utilities located along them, to minimize the number of trees that need to be removed, to permit a width that will allow passage of fire equipment,

to allow for shared driveways where feasible and appropriate, and to assure that the driveway is in character with the area. A reasonable fee for performance of this service shall be assessed.

4. Variances

The Board of Directors shall have the authority to grant a variance from the design requirements of this Declaration or the Design Guidelines so long as such variance is in compliance with the purposes of these Protective Covenants. The Board of Directors may delegate this responsibility to the Design Review Committee.

ARTICLE IV: Use of Sites

1. Residential Use Only. All sites within the subdivision shall be used exclusively for single-family residential purposes; provided, however, that home occupations as defined herein shall be permitted so long as the same are conducted in keeping with the requirements hereof and no commercial advertising is conducted upon the site.

2. Accessory Buildings. Any accessory building or garage must comply with the same design review as does a single-family structure and no accessory building or garage may be occupied as a dwelling.

3. Number of Residences. Only one single-family residence designed for the occupancy of one family and its guests shall be permitted on each site.

4. Temporary Structures. No trailer, modular home, manufactured or prefabricated home, mobile home or other structure of a temporary nature may be placed on a site for use as a dwelling.

5. Used Structures. No existing structures may be moved onto a site from another location. All construction must be new.

6. Setback. No structure shall be placed within 10 feet of the property line of the site. Upon construction of a residence or other structure where the center survey stake of the site is removed or covered by the structure, the owner must place four survey stakes equal distance apart on the perimeter of the site.

7. Camping or Recreational Vehicle Use. Camping in tents, camper trucks, recreational vehicles or camping trailers by owners shall be permitted. However, all camping equipment, including but not limited to, tents, motor homes, camp trailers, truck campers, self-contained RV's and related supporting equipment must be removed from the sites and the boundaries of Arrowhead in Gunnison Country Subdivision prior to the date designated each year by the Board of Directors, notice of which shall be provided to all owners at least 30 calendar days prior to such effective date. Any vehicle or equipment left within the Subdivision after said date shall be considered abandoned as set forth herein.

8. Minimum Size. Each single-family residence shall have a minimum fully enclosed ground floor area devoted to living purposes, exclusive of porches, decks and garages, of 800 square feet, outside measurement.

9. Screening. Clotheslines, equipment, garbage cans, service yards, storage areas, etc., shall be adequately screened to conceal the same from view of neighboring sites and roads.

10. Maximum Height. The maximum height of a building as measured vertically from the average finished grade line to the highest point of the roof of the structure shall not exceed 32 feet. The Design Review Committee may alter this maximum height in certain circumstances in exercising its authority under Article III of this Declaration.

11. Antennae and Satellite Dishes. Radio, short wave, television or communication antennae (including satellite dishes) may be erected of a height necessary to achieve communication reception and transmission. Appropriate FCC regulations, safety guidelines, and manufacturer's instructions shall be complied with regarding installation, grounding and reinforcing guy wiring of all antennae. The location of all satellite dishes and any communication installations whatsoever over 25 feet above the highest point of the roof must be approved by the Design Review Committee prior to installation.

12. Permit Required. Prior to construction of any structure, installation of any driveway or utility service, or removal of any living trees, the site owner shall obtain a design review permit. This permit is required to obtain a Gunnison County Building Permit.

13. Compliance with Codes. Any building to be erected upon a site must conform to the Gunnison County building, plumbing and electrical codes in effect and all other applicable Gunnison County regulations.

14. Nuisances. No obnoxious, offensive or other activity, which would constitute a public or private nuisance to other residents, shall be permitted.

15. Animals. Dangerous or wild animals may not be captured, trapped or maintained on any site except when necessary to control vermin. Livestock, including but not limited to cattle, sheep, horses and pigs, riding horses, 4-H animals or poultry shall not be permitted to be maintained on any site. Domesticated household pets such as dogs and cats shall be permitted; provided, that when off the owner's site, they must be restrained by a leash or other appropriate tether, or accompanied by the owner and under the owner's control at all times. Under no conditions shall household pets be permitted to run at large off the owner's site. Pets running at large off an owner's site constitute a danger to wildlife and other residents.

16. Hazardous Activities.

a. Chemicals. The use of poisons or pesticides outside of a residence to control pests or vermin is prohibited.

b. Firearms. No firearms, fireworks, explosives, air rifles, BB guns, crossbows or similar devices shall be discharged within the boundaries of Arrowhead in Gunnison Country Subdivision. Archery practice using other than live targets and where done with safety to neighbors may be permitted with prior approval of the Association.

c. Fires. No fires are permitted outside the family residence except for cooking or campfires, and then only if properly and safely contained in an appropriate fire pit or barbecue grill. When weather conditions and fire danger dictate, the Board of Directors may impose fire bans, which shall be complied with by all owners. Questions regarding fire safety, construction of fire pits and barbecue grills, and safety compliance may be directed to Arrowhead security personnel or the Arrowhead Fire Chief. Trash shall not be burned on any site or within the boundaries of Arrowhead in Gunnison Country Subdivision.

d. Hunting. No hunting or trapping shall be permitted on the sites or within the boundaries of Arrowhead in Gunnison Country Subdivision.

17. Signs. No signs or advertising structures or devices of any nature shall be erected, constructed or maintained on any site, except an individual identification sign in character with the area to identify the site owner, property name, or address.

18. Trash. Household trash or garbage must be kept in properly covered containers with secure lids. No junk or trash shall be permitted to accumulate and the same must be regularly removed to a County-approved landfill. Trash shall not be burned on any site or within the Boundaries of Arrowhead in Gunnison Country Subdivision.

19. Lawns. No lawn watering is permitted, as it will seriously impede firefighting capability and alter the rural, natural character of the area.

20. Resubdivision. No site may be further subdivided.

21. Repairs. All buildings and structures shall at all times be kept in good and proper repair and in a safe and attractive condition by the owner thereof.

22. Abandoned Vehicles. No abandoned vehicle shall be permitted on any site, specifically excluding operational vehicles kept on sites upon which a residence has been constructed. The Association shall send a letter by certified mail, return receipt requested, to the site owner requiring removal of any abandoned vehicle within 10 days from the receipt of the letter, and, if the owner does not comply within that period of time, the Association shall have the vehicle towed away by a bonded, commercial towing operator and stored at the owner's expense, which expense shall be billed to the site owner as an assessment pursuant to Article IV.

23. Trees. No living trees shall be cut down on any site without the prior approval of the Association Board of Directors, which may grant such approval through the Design

Review Committee. However, nothing herein shall preclude site owners from cleaning

up dead and down material on their sites for use as firewood or removal of same to an

Association-approved collection point for such material or to a County approved landfill.

24. Water. No wells may be drilled on any site. Arrowhead in Gunnison Country

Subdivision is served by a central water system. Individual site owners are responsible for providing and maintaining underground extension of water lines to their sites or structures in compliance with the water provider's requirements.

25. Utilities. All utility lines must be placed underground. Individual site owners are responsible for connecting to such services in accordance with the provider's requirements.

26. Perimeter Fences. In order to preserve the natural, rural character of the area, no perimeter or boundary fences are permitted around sites. Other types of interior fences or those used for dog runs or pens are subject to prior approval by the Design Review Committee.

27. Septic Systems. Septic systems serving each site shall be installed after owner has obtained a permit issued by the Gunnison County Sanitarian. Such systems shall be maintained in good operating order by the owner and operated in accordance with all applicable rules and regulations of Gunnison County and the Colorado Department of Health.

28. Elevated Fuel Tanks. Any elevated fuel tank cannot exceed twelve feet in height, ten feet inside the property line, and five feet from any building, or to comply with the Fire Code in effect in Gunnison County.

29. Festivals, Corporate Gatherings, Etc. Festivals, meetings, picnics and campouts involving groups other than site owners and their guests; religious gatherings; corporate uses and similar activities require the advance approval of the Association's Board of Directors.

30. Site- Maintenance Control. The Association, upon the failure of the owner of any site to maintain his site and improvements, including the payment of any taxes assessed thereon, in a reasonably satisfactory manner as determined by the Association, or upon use by the owner in a manner inconsistent with these covenants or the Design Guidelines, after notice to the owner, may enter upon the site and repair, maintain, rehabilitate and restore the premises and/or improvements or abate the improper use or pay the taxes thereon and any costs including reasonable attorneys fees shall be charged against the owner of said site and collected in the manner set forth in Paragraph 3, Article VI hereof.

31. Construction Vehicles. A site owner shall not permit any construction vehicle including but not limited to front end loaders, dump trucks, backhoes, compressors, bulldozers, construction trailers, and related equipment to be parked on his site except during active on-site construction.

ARTICLE V: Ownership and Use of Common Areas

1. Legal Title. Legal title to the common areas shall be vested in the Association.

2. Restrictions on Use of Common Areas. The use of the common areas shall be determined and regulated by the Association according to the articles and bylaws thereof and in conformity with these covenants. Use may be limited to such recreational and other activities as will preserve the character of the land within the subdivision. Restrictions may be made on use:

a. By those other than the immediate families of site owners;

b. By temporary limitation on use or access to portions thereof in order that improvements or repairs may be accomplished;

c. By horseback riding or access by household pets or motorized vehicles.

3. Riding Horse Facilities. The Association shall provide facilities for boarding riding horses owned by site owners and their guests on lands owned or controlled by the Association so long as adequate demand can be demonstrated. These facilities will include corrals or stalls, access to water, and adequate access and parking space for horse trailers. These facilities shall be for temporary use on a first come, first served basis. There will be no charge for use of such facilities by site owners and their guests. Horseback riding shall be permitted on subdivision roads and open meadows in the common areas as authorized from time to time by the Association. In no event shall horses be maintained on any owner's site. Care of animals and liability for animals kept at such facilities are the sole responsibility of the owner. The Association will make a reasonable attempt to locate the owner of any animal not cared for or abandoned and give warning to the owner to either remove or care for the animal within twenty-four (24) hours. If such warning is not acted upon, the animal may be removed by the Association and boarded, sold or destroyed, at the Association's option. The expense of same will be billed to the owner as an assessment pursuant to Article VI hereof.

4. Fishing. The Association, through its Board of Directors, shall maintain the lakes and regulate the stocking, fishing limits, improvement, access, posting, etc., of the lakes made available for the use of the members of the Association and the Developer.

5. Removal of Trees from Common Areas. Only the Board of Directors or their designee may approve removal of any living tree in the common areas. However, dead and down trees and limbs may be removed by the Association or by any site owner for firewood in the interest of safety and aesthetics.

6. Utility Easements. A perpetual easement for ingress and egress and for the installation and maintenance of water installations and lines, sewer lines, and other utilities is reserved and dedicated over and through the roads and streets within Arrowhead in Gunnison Country Subdivision subject to ownership by Gunnison County, provided such roads and streets are dedicated thereto and accepted thereby at any time in the future. There shall be a further easement upon all of the common areas in that they shall likewise be available for use for drainage, driveway, electricity, gas lines, water lines or installations, telephone lines, sewer lines and other utilities to be furnished to the sites. The exact location of these must be approved by the Board of Directors, which may delegate this responsibility to the Design Review Committee. Both types of easements granted in this paragraph shall be utilized only in a reasonable and prudent manner and as approved by the Association and shall be reserved to the Developer, the Association, the site owners, the County of Gunnison and the person or persons owning or maintaining the utility or service in question.

7. Common Area Access. The common areas shall remain open and accessible to all site owners and their guests wherever and whenever reasonable and in conformity with these covenants.

8. Traffic. The Board of Directors shall set speed limits for subdivision roads within Arrowhead in Gunnison Country Subdivision. All motorized vehicles shall be operated in a reasonable manner for existing road conditions and pedestrian traffic. When snowmobiles are in use, the same shall be utilized in a safe manner at speeds reasonable and prudent for trail, visibility, and weather conditions and in conformance with applicable laws and regulations in effect for the State of Colorado. Vehicle parking on subdivision roads is prohibited except with permission of security personnel.

9. Camper Dump Station. A camper dump station located adjacent to the upper pump station on Spruce Road is provided and maintained by the Association for the use of site owners. Discharge of raw sewage onto common areas, into lakes or streams, or onto sites or roads or anywhere within the boundaries of Arrowhead in Gunnison Country is prohibited.

10. Construction Vehicles. Construction vehicles including but not limited to front-end loaders, dump trucks, backhoes, compressors, bulldozers, construction trailers, related equipment, etc., shall not be parked or stored on roads or common areas except while work is in progress and only in a manner approved by security personnel. This shall not preclude parking of Association, Developer or water company owned equipment in an area approved by the Association.

ARTICLE VI: The Association

1. Powers and Duties. The Association shall have such powers and duties necessary to regulate and/or maintain the land in Arrowhead in Gunnison Country Subdivision in conformity with the Protective Covenants and Design Guidelines. It shall manage and maintain recreational and other facilities located on Association controlled land. It shall have such Board of Directors, officers, and committees as are required by Colorado law and as are necessary to carry out its functions. Its Articles of Incorporation make reference to this Declaration and set forth among its purposes the fulfillment, maintenance and regulation of the provisions set forth herein. The Association's powers and duties shall include but not be limited to:

a. all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by its Articles of Incorporation, Bylaws, or this Declaration;

b. enforcing the Declaration of Protective Covenant and Design Guidelines by noncompliance assessment, injunction, legal action or other means;

c. approving or disapproving any and all types of construction within Arrowhead in Gunnison Country Subdivision (which authority may be delegated to the Design Review Committee);

d. fixing, levying, collecting and enforcing all assessments, as provided for herein, including the filing and collecting of liens, if appropriate;

- e. entering upon any property without liability to an owner for trespass, damage or otherwise for maintaining or repairing the property as set forth herein or for inspections by security personnel;
- f. preventing the maintenance of nuisance and impairment of the attractiveness and value of property within Arrowhead in Gunnison County Subdivision;
- g. interpreting any of the provisions of these Protective Covenants or the Design Guidelines;
- h. adopting reasonable rules and regulations to insure compliance with these Covenants and the Design Guidelines;
- i. governing the use of common areas and Association owned and/or controlled lands;
- j. establishing nomination, voting and election procedures in accordance with the Bylaws and Articles;
- k. making capital improvements on the common areas upon affirmative vote of more than 50% of a quorum of owners. An expenditure above \$100,000, which also involves construction of new facilities, shall be deemed a capital improvement.

2. Membership and Voting Rights. Each site owner, upon acceptance of his deed of ownership, assents to and thereby becomes a member of the Association and likewise adopts and makes his own all covenants, rules and regulations herein appertaining to that site and the common areas. Owners shall be entitled to one vote for each site owned. When more than one person or entity holds an interest in any site, all such persons and entities shall be members. However, the owners of such a site shall designate in writing with the Association Secretary the individual who will exercise their vote. In no event shall more than one vote be cast with respect to any site. The Board of Directors shall suspend the voting rights of any owner who is thirty (30) calendar days or more delinquent in payment of assessments. Sites held by the Developer, which have never been sold or which are held as a result of foreclosure or repossession, are not entitled to a vote.

3. Assessment of Members. The owner of each site shall contribute their pro rata share of the costs and expenses of the Association, as more fully set forth below, to the Association. The Association, through its Board of Directors, is charged with responsibility and authority for enacting, adopting, and enforcing assessments including but not limited to the following purposes: operations of the Association, maintenance, taxes, insurance, legal, tax and other professional services, upkeep, other obligations of the Association, capital improvements, enforcement of or noncompliance with the Covenants, emergencies and a reasonable reserve for any of the above. Invoices for assessments may be submitted at any interval fixed by the Association. Capital improvements shall likewise be funded by assessment where properly authorized, as provided elsewhere herein.

a. Annual Assessments. Annual assessments shall be recommended by the Board

of Directors, and such recommendation shall be supported by accompanying financial data. Annual assessments may be increased by an affirmative vote of more than 50% of a quorum of owners.

b. Capital Expenditures for Improvements. Capital improvements in excess of \$100,000 for any construction, reconstruction, purchase, repair, or replacement of capital equipment, structures, or an improvement owned by the Association shall require the affirmative vote of more than 50% of a quorum of owners.

c. Special Assessments. The Association through its Board of Directors may levy, in any year, a special assessment applicable to that year only, for the purpose of any construction, reconstruction, purchase, repair, or replacement of capital equipment, structures, or an improvement owned by the Association provided such assessment receives an affirmative vote of more than 50% of a quorum of owners should any owner cause or allow to be caused any violation of the Declaration of Protective Covenants or any Design Guideline and allow such violation to continue in effect after written notice to such owner and the expiration of a reasonable time in which to comply, as set forth in the written notice, a Non-Compliance Assessment may be levied by the Board against such owner. The amount of any such assessment may include:

costs incurred by the Association in attempting to secure compliance, including reasonable attorneys' fees, and non-compliance penalties in such amounts as may from time to time be established by the Association's Board of Directors.

Each owner of any site by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay all assessments levied by the Association. The assessments, together with interest, costs, and expenses of collection, including but not limited to reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, collection expenses, and attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time the assessment fell due. The Board of Directors shall adopt a collection policy for overdue assessments and may amend the same from time to time. Suit to recover a money judgment for such personal obligation, together with costs and reasonable attorneys' fees, may be maintained by the Association without foreclosing or waiving the lien securing payment of same against the site. No owner may avoid or diminish such real property or personal obligation by waiver of the use and enjoyment of any of his real property or by abandonment of his real property. 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 site have been paid. A properly executed certificate of the Association as to the status of assessments on a site is binding upon the Association as of the date of its issuance. Sites held by

the Developer, which have never been sold or which are held as a result of foreclosure or repossession, are not subject to assessment by the Association.

4. Developer's Temporary Powers. Until such time as Developer has sold 80% of the sites in any recorded filing or until five (5) years have elapsed from the filing of such plat, whichever is sooner, Developer retains all power and authority herein conferred to the Association over that filing. Developer shall be assessed and pay for all capital improvements authorized for that filing during the time he retains control thereof.

ARTICLE VII. Enforcement

1. Enforcement. If any person shall violate or threaten to violate any of the provisions of this instrument, it shall be lawful for any owner of a lot in the subdivision or the Association to institute proceedings at law or in equity to enforce the provisions of this instrument, and to recover damages, actual and punitive, together with reasonable attorney's fees, for such violation.

2. Exemption from Liability. Each and every site owner exempts and releases the Developer, the Association, the Board of Directors, the Design Review Committee or any member, members, officers, agents, servants or employees of any of the same from any and all liability, claims, demands or actions or causes of action whatsoever arising out of any damage, loss or injury to the site owner or his property, whether such loss, damage, or injury resulted from the negligence of the Developer, the Association, the Board of Directors, the Design Review Committee or any member, members, officers, agents, servants or employees or any of the same or from other causes.

3. Non-Waiver. The failure to enforce any provision of this Declaration of Protective Covenants or the Design Guidelines adopted pursuant hereto shall not operate as a waiver of any such provision or any other provision hereof.

ARTICLE VIII: General Provisions

1. Effect and Duration of Covenants. The conditions, restrictions, stipulations, agreements and covenants herein contained shall run with the land and shall be for the benefit of and binding upon each lot in the Subdivision and each owner thereof, and his or her successors, assigns, and invitees, and shall continue in full force and effect unless otherwise amended in the manner hereafter provided.

2. Notice. All instruments of conveyance or any interest in all or any part of said Arrowhead in Gunnison Country Subdivision shall contain reference to this Declaration and shall be subject to the covenants, restrictions, reservations and conditions herein as though fully set forth in the terms and conditions thereof; provided, that the terms and conditions of this Declaration shall be binding upon all persons affected by its terms whether express reference is made or not.

3. Severability. Invalidation of any of these covenants, restrictions, reservations or conditions by judgment of court shall not affect the validity of any of the other provisions and the same shall remain in full force and effect.

4. Additional Jurisdiction. Additional property may be brought within the jurisdiction of this Declaration and of the Association by the adoption hereof by

the owner of such property and the consent of the Association's Board of Directors.

5. Amendment. This declaration of protective covenants may be amended, modified, or added to by the affirmative vote of more than 50% of the owners.

6. Variance Procedure for Existing Non-Conforming Uses. Within 120 calendar days after adoption of this instrument, the Association shall notify in writing, via certified mail, return receipt, all owners of sites which are not in conformance with this instrument or the design guidelines referred to herein. Owners so notified shall have six (6) months after the date of mailing such notice to apply for a variance from the Association. If owner does not apply for and obtain such a variance, owner shall be in violation of these covenants and subject to all remedies available to the Association.

7. Change in Voting Percentages. The voting percentages established in these Covenants shall be revised without a vote of the owners to conform to any amendment of the Colorado Revised Statutes.

IN WITNESS WHEREOF, this Declaration of Protective Covenants is executed this 1st day of May, 1990.

/s/ James F. Squirrell , Developer

AMENDMENTS EXECUTED OCTOBER 20, 2003

/s/ THE HONORABLE J. STEVEN

PATRICK, GUNNISON COUNTY

DISTRICT COURT JUDGE.

THE RIDGES AT ARROWHEAD

IN GUNNISON COUNTRY

DECLARATION OF PROTECTIVE COVENANTS

ROBERT W. MINERICH, being the owner of the real property hereinafter described and ARROWHEAD IMPROVEMENTS ASSOCIATION, INC., a Colorado Corporation, being co owner of portion of the real property hereinafter described hereby declare that the Declaration of Protective Covenants and Restrictions of Arrowhead In Gunnison Country recorded in Book 677 at Page 680 of the records of Gunnison County Colorado shall fully apply to and be binding upon the real property described as follows:

The Ridges at Arrowhead in Gunnison Country, Lots 1-5 all-inclusive, Block One, and Lots 1-8 all-inclusive, Block Two, according to the plat thereof bearing Reception No. 444805 in the records of Gunnison County, Colorado.

The above-described property shall be subject to the following additional restrictions:

1. No motor homes, camp trailers, or other vehicles of temporary residency shall be parked on any lot for any time whatsoever unless fully enclosed in a garage.
2. No lot owner shall be permitted to dump material of any type whatsoever over the crest of the hill known as The Ridges.
3. No improvements shall have shiny, metal roofs or be of a color, which will unreasonably contrast with the natural surroundings.

Executed this 27th day of June, 1993.

/S/ MINERICH

/S/ ARROWHEAD IMPROVEMENTS ASSOCIATION, INC.