Arrowhead in Gunnison Country

Arrowhead Improvements Association, Inc.

REGULATIONS

Adopted January 18, 2020
Amended November 12, 2022

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The Board of AIA hereby adopts the following Regulations pursuant to C.R.S. § 38-33.3-209.5 and Article VI, Paragraph 1 of the Covenants, and Article III, Paragraph 2 of the Covenants, in compliance with all notice and comment requirements set forth in the Procedures for the Adoption and Amendment of Policies, Procedures, Rules and Regulations of AIA. These Regulations shall govern AIA and Arrowhead. These Regulations supersede and replace all prior versions of the Regulations, including all appendices thereto. In the event of any conflict between these Regulations and the other Governing Documents, the other Governing Documents shall prevail. In the event of any ambiguity in the other Governing Documents, these Regulations are intended to assist interpreting such other Governing Documents to the fullest extent permitted by law.

ARTICLE 1. DEFINITIONS

1. **AIA** – Arrowhead Improvements Association, Inc., a Colorado nonprofit corporation.
2. **AIA Website** – www.arrowhead1.org, the official website of AIA.
3. **Articles** – the Amended and Restated Articles of Incorporation for AIA as filed with the Colorado Secretary of State on August 28, 2017, as the same may be further amended.
4. **Arrowhead** – Arrowhead in Gunnison Country Subdivision, as defined in the Covenants.
5. **AFPD** – Arrowhead Fire Protection District
6. **Arrowhead Patrol** – AIA employees who perform such functions as may from time to time be designated for Arrowhead Patrol by the Board.
7. **Board** – the Board of Directors for AIA as elected in accordance with the Governing Documents.
8. **Building Office** or **Gunnison County Building Office** – an Office of the Gunnison County Community and Economic Development Department, which is responsible for overseeing construction activity within Gunnison County (or such successor office or department as may be responsible for providing building permits from Gunnison County). The Building Office issues OWTS permits and building permits for structures requiring a building permit. https://www.gunnisoncounty.org/139/Building-Office
9. **Bylaws** – the Bylaws for AIA as adopted May 15, 2004, amended August 20, 2011, October 15, 2011, and August 15, 2015, as the same may be further amended.
10. **Camping Season** and **End of Camping Season** – as defined in Article 2, Section 2, paragraphs (B) and (I), respectively, of these Regulations.
11. **CCIOA** – the Colorado Common Interest Ownership Act, as amended. This law governs homeowners associations, such as AIA, in Colorado.
12. **Common Areas** – all real property located in Arrowhead owned by AIA that is not a Site, including without limitation all Filing Roads.
13. **Covenants** – the Arrowhead in Gunnison Country Subdivision Declaration of Protective Covenants and Restrictions, as recorded in the real property records of Gunnison County, Colorado as reception number 419911 and as amended by that certain Amendment to Arrowhead in Gunnison Country Subdivision Declaration of Protective Covenants and Restrictions, as recorded as reception number 536257, collectively and as the same may be further amended.
14. **Design Review Committee** or **DRC** – A committee appointed by the Board to exercise all of the duties and responsibilities regarding design review set forth in the Covenants and these Regulations.
15. **Design Guidelines** – limitations and specifications for structures and improvements constructed at Arrowhead.
16. **Design Review Permit** – a written permit given to the owner after the DRC reviews and approves an Improvement.

17. **Design Review Forms** – forms used by Owners and the DRC for review and approval of Improvement activity. www.arrowhead1.org/design-review
18. **Detached Secondary Residence** – means a "Detached Secondary Residence" as defined by the LUR, which definition is incorporated herein by this reference together with all other definitional phrases used in the definition of Detached Secondary Residence set forth in the LUR. The term "LUR" is defined in 26 below.
19. **Filing Roads** – the approximately 17 miles of gravel roads throughout Arrowhead.
20. **Forest Refuse Site** – a place to dispose of forest debris for use only by Owners. The site is located on Common Areas off of the Alpine Plateau Road.
21. **Governing Documents** – a collective name for the Articles of Incorporation, Covenants, Bylaws and Regulations. www.arrowhead1.org/governing-documents-regulations
22. **Gunnison County website** – www.gunnisoncounty.org.
23. **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.
24. **Horse Corrals** – the horse corrals owned by AIA and located on Common Areas for the exclusive use of Owners and their guests.
25. **Improvement** – any improvement whatsoever to any Site, including without limitation any building, structure, driveway, utilities, storage areas, dog runs, interior fences, excavation, site work, walls, gates, signs, dwellings, dirt work, berms, parking areas, decks, enclosures, grading, removal of dirt and rocks, and removal and cutting of living trees and other plant life.
26. **Land Use Resolution** or **LUR** – Gunnison County, Colorado Land Use Resolution as amended March 5, 2019, as amended.
27. **Owner** – the record owner, whether one or more persons or entities, of fee simple title to any Site.
28. **OWTS** – On-site Wastewater Treatment System.
29. **OWTS Regulations** – regulations of Gunnison County regarding the installation and replacement of an OWTS. www.gunnisoncounty.org
30. **Plot Plan** – a circle diagram showing the boundaries and setbacks for a Site and used by an Owner to mark the location of the center pin, measurements and location of structures presently on a Site, and proposed Improvements. Specific requirements for Plot Plans are set forth below in the Design Guidelines.
31. **Regulations** – These rules, regulations, policies and procedures, including the Design Guidelines.
32. **Responsible Governance Policies** – these are nine (9) governance policies mandated by CCIOA for homeowner associations in Colorado.
33. **RV** – The term includes all camper trucks, recreational vehicles, motor vehicles designed or intended for overnight occupancy or actually occupied overnight, camper trailers, pop-up trailers or other vehicles in the same class.
34. **Setback** – a specified distance from a property line in which building is prohibited. In Arrowhead the setback is 10 feet from the property line.
35. **Single Family Residence** – a building used and designed exclusively for occupancy by one family and its guests except Home Occupations as defined above.

36. **Site** – a lot within Arrowhead 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 AIA.
37. **Smoke Signals** – Community online newsletter currently published six (6) times a year on the AIA website.
38. **Variance Report** – a report completed by the DRC when evaluating and approving/disapproving a variance.
39. **Violation Report** – a means by which an Owner can notify the Board of an alleged violation of the governing documents. This report can be used to file either a Formal Complaint or Informal Complaint, as defined in Article 8. www.arrowhead1.org/forms
40. **Winter Parking Lot** – a winter parking lot located on Common Areas off of the Alpine Plateau Road for the exclusive use of Owners and their guests to provide parking space for vehicles during the winter months subject to the Governing Documents.

ARTICLE 2. USE OF SITES

1. RESIDENTIAL USE ONLY: All sites within Arrowhead shall be used exclusively for single-family residential purposes; provided, however, that home occupations as defined in the Covenants shall be permitted so long as they are in keeping with the requirements therein and that no commercial advertising is conducted upon the site. Only one single-family residence designed for the occupancy of one family and their guests shall be permitted on each Site.

2. CAMPING AND RECREATIONAL VEHICLE (RV) USE:
   (A) *Camping Permitted*. Camping in tents or in RVs shall be permitted during, but only during, the Camping Season in accordance with the provisions stated below.

   (B) *Camping Season*. The "Camping Season" shall begin each spring after the roads have been plowed and the road conditions within Arrowhead allow vehicular access to an Owner's Site. The Camping Season shall terminate at the End of Camping Season as specified by the Board in accordance with the End of Camping Season provisions below.

   (C) *RV Definition*. The term "RV" includes all camper trucks, recreational vehicles, motor vehicles designed or intended for overnight occupancy or actually occupied overnight, camper trailers, pop-up trailers or other vehicles in the same class.

   (D) *Length of Stay*.
      (I) RV Sites. For those Sites without a Single Family Residence, one RV may be on a Site for the duration of the Camping Season. A second occupied or unoccupied RV shall not be on such a Site for more than 14 days per calendar month during the Camping Season. Notwithstanding any other provision of these Regulations, however, no motor homes, camp trailers, or other vehicles of temporary residency shall be parked on any lot in The Ridges At Arrowhead for any time whatsoever unless fully enclosed in a garage.
      (II) Single Family Residence Sites. For those Sites with a Single Family Residence, one unoccupied RV may be parked on the Site for the entire Camping Season. Any RV

located on such a Site that is occupied shall not be occupied for more than 14 days per calendar month during the Camping Season.

(III) Explanation Of Fourteen Day Limitation. With respect to the 14 day limitations set forth above, days may be used intermittently or consecutively but may not exceed 28 consecutive days over two calendar months. For example: an Owner may use the last 14 days of June and the first 14 days of July but then would not be able to use any additional days in June or July. Unused days within a calendar month may not be accrued, saved, or transferred to other Sites.

(IV) Provision For Houses Under Construction. For a house under construction, one occupied or unoccupied RV is allowed on a Site for the Camping Season provided construction is actively taking place on a consistent basis.

(E) *RV Registration Required*.

(I) An RV Registration Form is required to be completed for: (a) each and every day any second RV, occupied or unoccupied, is located on a Site which does not have a Single Family Residence, (b) for each and every day of any occupancy of any RV located on a Site with a Single Family Residence, and (c) each and every day any RV, occupied or unoccupied, is located on any Site where active Single Family Residence construction is taking place.

(II) A single RV Registration Form shall be completed for each Site for which an RV Registration Form is required as set forth above. All RV Registration Forms shall be completed on or before each day for which the form is required.

(III) The Owner shall provide AIA or its agents, including without limitation Arrowhead Patrol, with copies of all completed and maintained RV Registration Forms upon any oral or written request. The Owner is required to keep and maintain all completed RV Registration Forms for a given Camping Season and such completed forms shall be provided to Arrowhead Patrol, deposited in the box at the kiosk for AIA or mailed to AIA's office within 14 days of the end of the Camping Season.

(F) *Special Events*. The location of additional RVs on a Site for, by way of illustration and not limitation, special events, shall only occur upon the prior approval of the Board upon a determination that the location of the additional RVs is of such a duration and nature that it will not unreasonably disturb the neighborhood.

(G) *Exceptions*. Any Owner may apply to the Board for a reasonable exception to this Regulation. An exception will be considered for any special and/or extenuating circumstances, including without limitation if the application of this regulation would result in undue hardship to an Owner. The Board may grant an exception in its sole discretion upon finding that such special and/or extenuating circumstances justify providing such an Owner with an exception; provided, however, that the Board cannot grant any exception from this Regulation that would violate the terms of the Covenants.

(H) *Camper Dump Station*. A camper dump station is located at the Winter Parking Lot on the Alpine Plateau Road for the use of Owners and their guests. Discharge of raw sewage, including black and grey water, onto Common Areas, into lakes or streams, or onto Sites or Filing Roads or anywhere within the boundaries of Arrowhead is strictly prohibited.

(l) *End of Camping Season*. 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 Sites and the boundaries of Arrowhead on or before the day that is prior to the date designated each year by the Board, notice of which shall be provided to all owners at least 30 calendar days prior to such effective date (the "End of Camping Season"). Any vehicle or equipment left within Arrowhead after said date shall be considered abandoned. The reason for removal of such vehicles and equipment by the designated date is to prevent such vehicle and equipment from becoming entrapped by winter snowfall or road closure. Any such vehicles or equipment remaining within the boundaries of Arrowhead after the designated date may be towed away or removed and stored at the Owner's expense. The Board may designate an appropriate towing and impound authority for this purpose. The Board, employees, or agents of AIA will not be held liable for any damages incurred in the removal or storage of such vehicles or equipment. Notwithstanding the foregoing, however, vehicles and related supporting equipment stored within an approved enclosure may be kept on Sites after the End of Camping Season.

3. STRUCTURE LIMITATION: An Owner is limited to a maximum of one (1) Single Family Residence with or without an attached garage, one (1) detached garage, and one (1) shed. Notwithstanding the foregoing, however, limitations on the numbers of structures, types of structures, and sizes of structures may be imposed by Gunnison County and may be more restrictive than the Governing Documents. Owners must comply with the requirements and restrictions of Gunnison County in addition to the Governing Documents.

4. ABANDONED VEHICLES OR INOPERABLE VEHICLES LEFT AT A SITE: No Abandoned Vehicle, as defined by the Covenants, shall be permitted on any Site or the Common Areas. Any RV left on a Site within Arrowhead, except for those stored in an approved enclosure, after the date established by the Board for removal of RVs for the winter will be treated the same as an Abandoned Vehicle and is prohibited. Any of the aforementioned vehicles, including Abandoned Vehicles, may be towed or removed and stored at the expense of Owner in addition to all other remedies available to AIA.

5. ANTENNAS AND SATELLITE DISHES INSTALLED ON A SITE: 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 regulations, and manufacturer's instructions shall be complied with regarding installation, grounding, and reinforcing guide wiring of all antennae. Notwithstanding the foregoing, however, no antenna or dish may be installed over 25 feet above the highest point of the roof without approval by the DRC prior to installation.

6. LIMITATIONS ON TEMPORARY STRUCTURES:
   (A) Temporary buildings and structures such as trailers, motor homes, truck campers, tents, teepees, yurts, fabric structures, modular home, manufactured or prefabricated home, mobile home or other such structures of a temporary nature may not be placed on a Site for use as a permanent dwelling. Camping shelters used as a camping dwelling without an OWTS shall have private, portable, or self-contained accommodation.

(B) Used prefabricated, modular, cellular or existing homes, garages or parts thereof that could be transported from another location for purposes of installation upon a Site are prohibited except, however, that new prefabricated sheds that meet the Design Guidelines and receive a Design Review Permit and receive any applicable Gunnison County building permit or other required approval, if required, are allowed.

(C) Pit toilets are prohibited.

7. FAMILY REUNIONS, FESTIVALS AND CORPORATE GATHERINGS HELD ON A SITE: Owners desiring to hold gatherings such as religious gatherings, corporate gatherings, weddings, large parties, family reunions and similar activities on their Site must notify Arrowhead Patrol of the type of activity, the times, the date and the location of large event tents. Parking vehicles on Filing Roads is not permitted for these events without prior approval of Arrowhead Patrol. If the gathering will involve additional RV's then a Site map showing the location of campers, RVs, tents and large event tents and vehicle parking may be requested and must be submitted to the Board for approval Any such activity that will not be attended by the Owner must be approved in advance by the Board.

8. FUEL AND PROPANE TANKS INSTALLED ON A SITE: Any elevated fuel tank cannot exceed twelve (12) feet in height and must be located at least ten (10) feet from any road, ten (10) feet inside the Site boundary, and five (5) feet from any building or shall comply with the fire code in effect in Gunnison County. Painting fuel tanks to harmonize with the environment is recommended. Propane tanks are permitted but must be installed by the provider in a safe and secure manner. It is recommended that propane and fuel tanks be screened from public view.

9. SIGNS BY OWNERS:

(A) The AFPD has generously installed signs with reflective numbers on most Sites that have a house or an RV pad. Signs are installed on the right hand side of the driveway on a post high enough to be above the snow level so first responders and fire fighters can readily find a location during an emergency. Such signage shall not be removed. If such signage needs to be replaced, repaired or corrected, Owners must contact AFPD for such replacement, repair or correction.

(B) On any Site with a Single Family Residence or RV pad, Owners may install and maintain a sign in keeping with the character of the area that identifies the Site's Owner, property name, or address.

(C) No signage by Owners may:
(I) Exceed four (4) square feet (e.g., 2 feet x 2 feet) or twenty seven (27) inches in diameter.
(II) Advertise a business or product.

(D) Recommendations for signage, which are not mandatory, are as follows:
(I) Signs should be posted on a post and not nailed to a tree.
(II) Signs should have reflective street numbers that are at least 4 inches in height, if the design allows.

(III) Should be high enough to be seen over the snow (minimum height - four (4) feet).
(IV) Where common driveways separate, additional address signs are needed to indicate each Site driveway.
(V) Owners should work together to coordinate signs on common driveways.

(E) In addition, political signs no larger than two (2) square feet may be placed on a Site no more than 45 days before an election, to be removed within one (1) week after the election, or such greater duration and size as may be dictated by Colorado law in effect at the time the sign is placed, if any.

10. SITE MAINTENANCE:

(A) Owners shall maintain their Sites and all Improvements thereon in a reasonably satisfactory condition as determined by AIA, which shall at a minimum require that all Improvements are in good condition, reasonable wear and tear excepted.
(B) Upon the failure of the Owner of any Site to maintain the Site and the Improvements in a reasonably satisfactory condition, the Board may send notice to the Owner which will cite the issue(s) and establish a timeframe to rectify, repair or restore the Site and/or the Improvements to a reasonably satisfactory condition and the nature of the rectification, repair or restoration needed.
(C) In the event the Owner fails to comply with the notice, the Board may enter upon the Site and rectify, repair or restore the Site and/or the Improvements to a reasonably satisfactory condition and any costs for rehabilitation, construction, materials and labor costs, including reasonable attorney fees, may be charged against the Owner of said Site and collected in accordance with the Dues Collection Policy.
(D) Trash cans, clotheslines, service yards, storage areas, equipment, etc., shall be adequately screened to conceal the same from view of neighboring Sites and Filing Roads. Screening may be of structural material with the approval of the DRC or of natural vegetation.

ARTICLE 3. COMMON AREAS

1. OWNERSHIP: There are approximately 1,500 acres of Common Areas within Arrowhead. Legal title to the Common Areas is vested in AIA.

2. COMMON AREAS USE RESTRICTIONS: The Common Areas shall remain open and accessible to all Owners and their guests wherever and whenever reasonable and in conformity with the Covenants. As set forth in Article V, paragraph 2 of the Covenants, the use of the Common Areas shall be determined and regulated by the Association. In order to preserve the character of the land within the subdivision, the Common Areas may be used by Owners and their guests only as follows:
    a. Subject to Article 7 of the Regulations regarding vehicles and traffic, the Filing Roads may be used for vehicular use, hiking, bicycling, dog walking, horseback riding, snow mobile riding, cross country skiing, and snow shoeing; provided, however that vehicular use may be limited or restricted from time to time at the discretion of the Board based upon weather conditions.
    b. In addition to the use of the Filing Roads set forth above, Owners and their guests may use the Common Areas for hiking, bicycling where designated, dog walking, horseback riding,

and any other access and use on foot that does not result in any material alteration of the natural landscape or material disturbance to Owners and their guests on any Site.

c. In addition to the use of the Common Areas set forth above, at any time when the ground is covered with snow, Owners and their guests may use the Common Areas for snowmobiling where designated, cross country skiing, dog walking, and snow shoeing.
d. Owners and their guests are not permitted to use the Common Areas for ingress and egress to and from Sites by motor vehicle, including ATVs and snowmobiles, except: (i) over approved driveways, (ii) to perform Site maintenance and mitigation, provided, however that no driveways or access may be cut through timber without a driveway access permit, and (iii) for ingress and egress by snowmobile and similar winter vehicles on marked trails approved in advance by Patrol.
e. Owners and their guests may use the Common Areas for fishing where permitted, and such other activities as may be permitted by AIA in writing or as posted.
f. No trespassing on Sites is permitted and nothing contained in these Regulations is intended to result in any trespassing. All Owners and the Owner's guests are required to know the boundaries of the Common Areas such Owners and guests are using prior to making use of those Common Areas so as to avoid any inadvertent trespassing on any Site. Accordingly, it is not a defense to trespassing under these Regulations that an Owner or the Owner's guests did not know the boundaries of the Common Areas and/or Sites.
g. Owners are not permitted to place or maintain any Improvements on the Common Areas.
h. Owners and their guests may not use the Common Areas for commercial purposes or special events without first obtaining Board approval.

The use of the Common Areas will be determined and regulated by AIA according to its Governing Documents. Use may be limited to such recreational and other activities as will preserve the character of the land within Arrowhead. The Board may authorize additional events and activities upon the Common Areas. The Common Areas shall remain open and accessible to all Owners and their guests in conformity with the Governing Documents.

3. BOARD RESTRICTIONS ON USE OF COMMON AREAS: The Board may restrict the use of Common Areas by:
   (A) Temporarily closing portions thereof in order that improvements or repairs may be accomplished.
   (B) Prohibiting, or limiting use to, horseback riding or access by household pets or motorized vehicles, including ATVs or UTVs at specific locations as the Board deems appropriate.
   (C) Prohibiting, or limiting use to, snowmobiles or tracked vehicles at specific locations as the Board deems appropriate.
   (D) By those other than the immediate families of Owners.

4. HORSE BOARDING FACILITY AND HORSEBACK RIDING:

   (A) AIA is only required to provide facilities for boarding horses owned by Owners and their guests on lands owned or controlled by AIA for so long as adequate demand can be demonstrated. In the event that adequate demand cannot be demonstrated, AIA may cease providing the Horse Corrals and may do so without revising these Regulations to remove the Horse Corrals provisions of these Regulations. Nothing in these Regulations shall be

construed as promising or representing that the Horse Corrals will exist or be maintained by AIA when adequate demand can no longer be demonstrated.

(B) AIA provides the Horse Corrals. The facility includes corrals, access to water, and adequate access and parking space for horse trailers. There will be no charge for use of the facility by Owners and their guests.

(C) The facilities shall be for temporary use on a first come, first served basis.

(D) A Boarding Facility Use Agreement (www.arrowhead1.org/forms) must be executed and given to Arrowhead Patrol prior to leaving a horse at the Horse Corrals. All rules and restrictions described in the Boarding Facility Use Agreement must be followed.

(E) Care of animals and liability for animals kept at the Horse Corrals is the sole responsibility of the Owner. In the event any animal is not being cared for or is abandoned, AIA will make a reasonable attempt to locate the owner 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 AIA and boarded, sold or destroyed, at AIA's option. In addition to the fine listed below, the expense of same will be billed to the Owner as an assessment pursuant to the Dues Collection Policy.

(F) In no event shall horses be corralled, tethered, hobbled or left unattended on any Site.

ARTICLE 4. FORESTRY

1. FORESTRY IN ARROWHEAD: Fire is an ever present danger to Arrowhead and risk for a forest fire can be reduced if, at a minimum, each Owner takes responsibility to clean up dead and downed trees from his or her Site. At the Owner's request, the Forest Manager can help with understanding mitigation and defensible space fuels reduction. By doing so, the overall health and safety of this magnificent forest may be preserved and Owners may find home insurance is more available and the premiums may be reduced. There is a list of local contractors who do tree work and site clean-up in Smoke Signals. www.arrowhead1.org/forest-management.

2. LIVING TREES:
   (A) No living trees greater than 2 inches in diameter shall be cut down on any Site without the prior approval of AIA, which may grant such approval through the Board's appointed Forest Manager or Designee or as part of the DRC review for purpose of construction, driveways, utility lines, OWTS, solar panels and /or approved Improvements. The diameter of trees will be measured at approximately 4 ½ feet above ground level; provided, however, that any tree that has been removed without prior permission will be measured at the stump or as is otherwise available.
   (B) If an Owner desires to mitigate his or her Site, they should develop a plan with the Forest Manager or Designee. Likewise if an Owner desires to create a defensible space around Improvements, the Owner shall first obtain a plan from the Forest Manager or Designee.

3. TREE CLEAN UP:
   (A) Owners shall clean up dead and down trees and timber on their Sites. Cleaned-up wood can be used for firewood or may be removed to the Forest Refuse Site or to public disposal sites outside of Arrowhead. Piles of dead trees or slash are not to be left on a Site after October 15th of each year.

(B) Owners may likewise obtain dead and down trees and timber from the Common Areas, but shall not enter any other Owner's Site to gain access to such Common Areas. If an Owner cuts down a dead tree on a Common Areas he or she is responsible for removing all parts of the tree, including branches. Live trees may be removed from a Site or Common Areas for defensible space and mitigation purposes only as authorized by the Forest Manager or Designee following an approved plan and permit obtained from the Forest Manager or Designee.

(C) AIA may provide a dump trailer for local use only. The dump trailer may be scheduled by contacting Arrowhead Patrol.

(D) Owners assume all liability arising out of or relating to tree cutting and removal activities. Tree cutting and removal is an inherently dangerous activity. By providing defensible space or mitigation plans or advice, AIA is not advising Owner as to the safety of performing those plans or implementing that advice. AIA recommends that all tree cutting and removal is performed by a competent professional with appropriate equipment and adequate insurance. Any tree cutting or removal performed by an Owner is performed at that Owner's own risk and AIA shall have no liability for any tree cutting or removal performed by any Owner.

(E) AIA is not guaranteeing, representing or in any way warrantying that compliance with mitigation recommendations from AIA's Forest Manager will protect against or prevent damage to Owner's property from wildland fire. Though AIA endeavors to ensure that its Forest Manager provides Owners with competent advice, no Owner shall have any claim against AIA arising out of or relating to the advice given, including its competency, correctness, advisability, completeness or accuracy. Owner may obtain mitigation advice and recommendations from a competent professional that is not an employee or volunteer of AIA, including mitigation plans prepared by Owner's professionals and those plans may be submitted to AIA for approval, which approval will not be unreasonably withheld.

4. MITIGATION AND DEFENSIBLE SPACE – RECOMMENDATIONS :

(A) Arrowhead is a mixture of open meadows, aspen stands and high elevation mixed conifer forest consisting of Douglas fir, spruce and subalpine fir. The interval between natural fires is over 100 years in this forest type which results in a natural condition of multi-level dense stands of trees. Man has inserted houses, RV's, and roads into this environment and created the potential for more frequent fires that also present more risk to manmade improvements.

(B) In these multi-level dense stands there is increased competition for water, nutrients and sun light which makes the trees more susceptible to mortality from insects and disease. These dense stands of trees with dead material and low branches greatly increase the likelihood that a small ground fire could climb into the crowns and spread from tree to tree burning a much larger area. Fires of this type are much more difficult, if not impossible, for firefighters to control.

(C) Since 2000, Arrowhead has been conducting forest fuel reduction on both Common Areas and Sites to reduce the risk of uncontrollable wildfire. This program has two basic parts: Mitigation, which can also be called thinning, and Defensible Space.

(D) A mitigation approval plan and permits must be obtained after a review by the Forest Manager or Designee. Contact the Forest Manager or Designee for an appointment and review to obtain proper permits prior to mitigating any live tree greater than 2" in diameter.

5. MITIGATION ON VACANT AND RV SITES - RECOMMENDATIONS:
   (A) At Arrowhead, the term "mitigation" refers to the removal of forest vegetation on Common Areas and vacant Sites that do not have any RV pad.
   (B) The objectives of mitigation are to: 1) keep a wildfire on the ground and of low to moderate intensity to increase the likelihood of control by firefighters; and 2) thin the forest to maintain or increase the vigor of remaining trees to make them more resistant to attack by insects or disease.
   (C) Mitigation has five basic elements:
      (I) Removal of ladder fuels - Ladder fuels are defined as live or dead vegetation within 6' of the ground and under the drip line of conifers that will be retained. This can be small trees or the limbs of larger trees that in event of a fire could carry that fire into the crowns of the larger trees.
      (II) Tree spacing – Retained trees should have some space between crowns. In some cases 2 or 3 trees of equal condition could be retained in a closer group and thought of as one tree from a fire perspective.
      (III) Replacement trees – Small trees that are not within 10' of the drip line of larger conifers. These trees should be limbed to no higher than 1/3 of the tree height to maintain the vigor of the tree.
      (IV) Standing dead trees – Remove all standing dead trees less than 6" DBH (Diameter Breast Height). Retention of 2 to 4 larger dead trees per acre is good for wildlife but removal of additional larger dead should be considered for fire and safety reasons.
      (V) Down dead – Down logs that do not crush under foot should be removed. Logs that are in more advanced stages of decay will retain fire but make little contribution to the spread of fire.
   (D) Live aspen trees are not a fire risk and do not need to be removed when doing mitigation.

6. DEFENSIBLE SPACE FOR SITES WITH A STRUCTURE OR A DEVELOPED RV SITE – GENERAL RECOMMENDATIONS:
   (A) At Arrowhead, the term "defensible space" refers to forest vegetation removal on Sites that have a structure or developed RV Site.
   (B) In addition to the mitigation objectives of keeping a wildfire on the ground and maintaining or improving forest health, defensible space is intended to provide a situation where wild fire can burn past a structure without igniting it and to provide an area for firefighters to safely work while fighting a fire.
   (C) Defensible space consists of 4 circular (or, on slopes, elliptical) zones with the structure or RV pad at the center.
      (I) Zone #1 – This is the first 5 feet out from the structure or RV pad (including decks, posts and steps). This area should consist of non-flammable material such as concrete, gravel or dirt. Flammable materials such as gasoline, lumber or firewood should not be stored under or on decks during the wildfire season. Firewood storage should be a minimum of 45' from the structure or RV pad and preferably on the uphill side.
      (II) Zone #2 – The next 30 feet (more on the downhill side). This is the area of the most aggressive thinning. All ladder fuels should be removed. All conifers should be limbed so that tips of branches are 8 feet above the ground. There should be 10 feet of separation between crowns of conifers. Branches on conifers near the structure

should be limbed above the eaves. Grass height should not exceed 4 inches during fire season.

(III) Zone #3 – The next 30 feet. The same principles apply but not quite as aggressively. Ladder fuels should be removed although limbing to 6 feet is sufficient. Crown spacing of 8 feet is also sufficient and grass should be kept to less than 4 inches during fire season.

(IV) Zone #4 – The remainder of the Site to the property line. Here the prescription is the same as the mitigation prescription discussed above.

(D) For both mitigation and defensible space these are basic guidelines and the Arrowhead Forest Manager or Designee should be consulted to assist with adjustments for variations in species composition, slope, arrangement, insect and disease concerns, fire risk from adjacent areas, and to retain dust and visual screens from nearby Filing Roads and neighboring properties.

(E) While the measurements described here cannot guarantee complete protection from wild land fire, they have been shown to markedly improve the chances of successfully protecting structures and residents.

7. FOREST REFUSE SITE:

(A) The Forest Refuse Site is located on the Alpine Plateau Road, south of lower Spruce Road. This Forest Refuse Site is available for the exclusive use of Owners for forest debris disposal, at no charge. The Forest Refuse Site opens in late spring or early summer depending on weather conditions at a date determined by the Board. The Board will give notice of the closing date for the end of the season use of the Forest Refuse Site.

(B) **For AIA to continue receiving a Burn Permit from the State of Colorado, it is required that everyone follow the guidelines for FOREST DEBRIS DISPOSAL at the Forest Refuse Site:**

- Forest Debris Only
- NO TREE STUMPS of any size
- NO Construction Waste
- NO Household Trash
- NO Metal
- NO Paper Products
- Place logs usable for firewood in separate designated area.

ARTICLE 5. LAKES AND FISH

1. LAKES IN AND AROUND ARROWHEAD: Hazel Lake is located on Common Areas. Upper and Lower Flint Lakes and Evergreen Lake are located on privately owned land but AIA has a Recreational Easement which allows Owners and their guests to fish in these lakes, with certain restrictions. Arrowhead Lake, located on private property outside of the boundaries of Arrowhead, has limited access for fishing, little water and is rarely used. AIA is not liable for damages or injuries at any of the lake areas. AIA is not liable in the event of damage to any vehicles while they are accessing the lakes.

2. WHO MAY FISH: Guests and tenants of Owners must be accompanied by an Owner or member of Owners' family or must have a Guest Fishing Permit while fishing on any of the lakes. Guest Fishing

Permits are available from Arrowhead Patrol. Owners shall be responsible for assuring the safe activities of themselves, their children and guests while at the lakes.

3. ACCESS AND SIGNAGE: Consistent with its easement and other rights, AIA maintains the lakes and regulates the stocking, fishing limits, improvements, sign posting, and access to the lakes. When funds permit, Lower Flint Lake is stocked with trout from a local fishery. Access to Evergreen Lake is by foot, by 4 wheel drive vehicles, and by off-road vehicles only. Hazel Lake has a walking trail surrounding the lake. Bank fishing on Evergreen Lake is permitted along the lake shores and south of the inlet to Evergreen Lake to a distance of twenty feet from the edge of the lake. No access or other use of the stream feeding Evergreen Lake is permitted, including without limitation access and use of the lands upstream of the inlet. No dumping or other disposal of any chemicals or other waste is permitted whatsoever at any of the lakes.

4. GENERAL RULES FOR FISHING: AIA has established the following rules regarding the lakes and fishing privileges.
   (A) The AIA reserves the rights to close fishing areas during times of stocking and during other circumstances as identified by AIA.
   (B) Fishing limits for the Lower Flint Lake, Hazel Lake, and Evergreen Lake are three (3) trout per day, per person unless otherwise determined by the Board. Upper Flint Lake is catch and release only and no barbed hooks are allowed.
   (C) Leaving of any litter, trash, fishing line, etc., in or around the lakes is prohibited and can endanger horses and wildlife.
   (D) Cleaning fish, in or around the lakes, is also prohibited as it can attract bears.
   (E) Fish feeders, sucker traps or aerators located at the lakes must not be tampered with.
   (F) Sucker mitigation is ongoing and when suckers are caught they must not be returned to the lake. Properly dispose of suckers off-site and do not leave dead suckers around the lake.
   (G) Parking of vehicles at the lakes shall be in conformance with posted signs and Arrowhead Patrol direction.
   (H) Driving any vehicle, ATV, or motorized vehicle beyond the posted signs to lakeside or on the dam surrounding any of the lakes is strictly prohibited.
   (I) Campfires are not permitted at any of the lake areas.
   (J) No swimming is allowed at any of the lakes.
   (K) Watercraft, including but not limited to canoes, kayaks, paddle boards or inner tubes, are NOT allowed on any of the lakes.
   (L) Ice fishing is not allowed on any of the lakes.
   (M) Owners, guests, tenants and invitees are to strictly obey all “no trespassing” and other signage posted at or around any of the lakes.
   (N) Dogs belonging to Owners are allowed at the Flint Lakes and Evergreen Lake if the dogs are kept on a leash at all times.
   (O) Dogs belonging to guests, tenants and/or invitees of an Owner are not allowed under any circumstance at Flint Lakes or Evergreen Lake unless they are a registered service animal. However, a service animal must be kept on a leash at all times.

(P) Dogs are permitted at Hazel Lake off-leash in compliance with the off-leash requirements for the Common Area as set forth in Article 6, Section 6 of the Regulations.

(Q) Owners shall pick up and remove their dog's excrement from any lake and lake shore areas.

(R) Any Owner who does not comply with the provisions of this Article may have his or her access and fishing rights suspended or revoked. If any Owner's guest, invitee or tenant violates any provision of this Article, such Owner may have his or her access and fishing rights suspended or revoked, which would also suspend or revoke, whichever is applicable, the rights of such Owner's guests, invitees and tenants.

ARTICLE 6. HEALTH, SAFETY AND PUBLIC WELFARE

1. FIRE PITS AND FIRES:

(A) No fires are permitted outside a residence except for cooking or campfires, and then only if properly and safely contained in an approved fire pit or barbecue grill. An annual Outdoor Fire Permit must be obtained from Arrowhead Patrol before a fire pit is used for the season. An Outdoor Fire Permit (www.arrowhead1.org/forms) is required for a fire pit, whether permanent or temporary, a chiminea and any other device for containing wood burning fires. When weather conditions and fire danger dictate, Gunnison County, or the AFPD may impose fire bans. All Owners, guests, tenants and short term renters must abide by all of the requirements of fire bans issued for this area by all governmental agencies. No fire pit shall be located within the 10 foot setback and, depending on the mitigation required for a particular Site, may need to be located further from the Site boundaries in order to provide sufficient mitigation space. All fire pits, and Sites on which fire pits are located, must be fully in compliance with the terms and provisions in the permit for the fire pit, including without limitation any mitigation requirements for the fire pit. A violation of the terms of the permit for a fire pit is a violation of these Regulations.

(B) For fire suppression of any active fire, one of the following must be readily available within the proximity of the approved pit:

(I) A charged hose;

(II) A minimum of ten gallons of water; or

(III) A fire extinguisher.

(C) The fire must be completely extinguished before it is left unattended, which means it is cool to the touch.

2. FIREARMS: No firearms, air rifles, BB guns, crossbows, paintball guns destructive devices or similar devices shall be discharged within the boundaries of Arrowhead. Archery practice, using other than live targets and considering the safety of neighbors, may be permitted with prior approval of the Association as provided by the Board.

3. FIREWORKS AND EXPLOSIVES: No fireworks or explosive devices of any sort are allowed to be used at anytime or for any reason within the boundaries of Arrowhead. Fireworks and explosives are dangerous devices and can start a house fire or a forest fire. However, this does not include explosives used by a licensed contractor who has a valid permit for construction purposes, issued by Gunnison County or other governmental agency.

4. HUNTING AND TRAPPING: Hunting, capturing, maintaining or trapping of mountain wildlife is not allowed on private Sites, on the Common Areas or anywhere within the boundaries of Arrowhead. However, mice, rats and gophers may be trapped on a Site.

5. NOISE AND NUISANCES: No obnoxious, offensive, or disruptive activity, or situation which would constitute a public or private nuisance to other Owners or guests will be permitted. Examples include: Excessive noise, loud music, or excessively barking dogs.

6. PETS – HOUSEHOLD AND LIVESTOCK: 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, appropriate tether, or accompanied by the owner and under control at all times. A pet is not "under owner control" unless the pet is fully responsive to the owner and returns to the owner upon command regardless of distance. Pets are not allowed on other Owners' Sites unless express permission by the Site Owner has been given and any pet on any other Owner's Site without prior permission is not "under owner control." Under no conditions shall household pets be permitted to run at large off the pet owner's Site. It is not permissible to leave a household pet on any Site when the Site is unoccupied unless the animal is contained in an approved enclosure. Pets found running at large or pets subject to a written complaint by other persons may be placed in a temporary foster care and all associated costs incurred by this action including fines will be the responsibility of the pet's owner. If, for any reason, the owner of the pet does not claim the animal within 72 hours, AIA will decide on an adoption process to find a good home for the animal. Owners will be responsible for the actions of their pets and must bear in mind that pets running at large constitute a danger to wildlife, other owner's pets and other residents and guests. Livestock (including but not limited to cattle, sheep, horses, or pigs), riding horses, 4-H animals or poultry shall not be maintained on any Site.

7. POISONS OR PESTICIDES: The use of poisons or pesticides outside of a residence or a fully enclosed structure to control rodents or vermin is prohibited. The intent of this regulation is to ensure there is no secondary impact to wildlife through the food chain of dead vermin. However, approved herbicides or insecticides may be used outside to control noxious weeds or insects. Approved herbicides or pesticides are those which are typically sold at retail outlets for use by consumers. Organic herbicides or insecticides are recommended. It is advisable for the product description on the container to state the product does not have negative secondary impacts to wildlife.

8. TRASH:
   (A) Household or camping trash must be kept in bear-proof containers or in secure buildings. No junk, recycling materials or trash shall be permitted to accumulate and must be regularly removed to an approved disposal site. Trash or garbage may not be burned on any Site or in a fire pit within the boundaries of Arrowhead.
   (B) AIA may provide a dumpster for household trash only for a monthly fee which is payable on a monthly basis and is not pro-rated on a daily basis. Payment should be sent to the AIA office and marked as payment for trash for each month of anticipated use. The AIA trash compactor shall only be used on materials appropriate for trash compactors. A non-exclusive list of some of the things NOT ALLOWED to be disposed of in the trash compactor:

NO Construction Debris!
NO Building Materials!
NO Cardboard!
NO Scrap Metal (*except food and drink containers*)!
NO Auto Parts!
NO Furniture!
NO Electronics!
NO Petroleum Waste (gasoline, diesel, oil, hydraulic oil)!
NO Oil Filters!
NO Propane Bottles!
NO Paint!
NO Hazardous Waste Materials!

(C) The Board may post on the trash compactor additional lists and directions regarding its use. Owners are required to comply with these requirements. The list provided in these Regulations is not exhaustive.

(D) In using the trash compactor, all latches on the compactor door must be properly engaged to ensure that wildlife does not enter the compactor.

9. WASTEWATER DISCHARGE ON A SITE: Discharge of wastewater on to a Site or on Common Areas is strictly prohibited as discharge can impact ground water purity and safety. There is a camping dump station located at the Winter Parking Lot for use by Owners and their guests. Owners who are doing construction or Improvements on their property, which will necessitate contractors be on the Site for extended hours each day are required to have an on-site portable toilet from a reputable waste disposal company for the duration of the construction or to provide other sanitation facilities. Portable toilets are to be maintained on a regular basis and are not to discharge wastewater onto a Site.

10. WATER USE:
    (A) No lawn watering is permitted as it may impede firefighting capabilities and alter the rural natural character of the area.
    (B) No wells may be drilled or cisterns placed on any site. Arrowhead is served by a central water system.
    (C) Precipitation collection is permitted to the extent and for the purposes allowed by C.R.S. § 37-96.5-101, *et seq*. as amended.
    (D) Owners are responsible for maintaining underground extension of water lines to their Site or Improvement in compliance with the provider's requirements.
    (E) It is recommended that outside frost-free, drain-back water valves be located close to a residence or RV pad and marked so as to be visible in deep snow so they may be utilized for firefighting purposes.

ARTICLE 7. VEHICLES AND TRAFFIC CONTROL

1. VEHICLE REGISTRATION REQUIRED IN ARROWHEAD:

(A) All vehicles including but not limited to cars, trucks, All Terrain Vehicles (ATVs), Utility Task Vehicles (UTVs), snowmobiles, cargo trailers and horse trailers must be registered with Arrowhead Patrol and display a numbered yellow Arrowhead sticker.

(B) Vehicle stickers shall be placed as follows:

(I) On cars, trucks and similar passenger vehicles, in the left or right corner of the windshield, or if prohibited in the state where such vehicle is registered, the closest location to this as is permitted by the laws of such state.

(II) On ATVs, UTVs and snowmobiles, the vehicle sticker shall be placed on the front cowling (next to the state registration, if one is present).

(III) On trailers, in a visible location on or near the hitch.

(C) The Arrowhead Vehicle Registration Form and the yellow stickers are available from Arrowhead Patrol. The Arrowhead Vehicle Registration Form is also available on the Arrowhead website (www.arrowhead1.org/forms) and should be returned to Arrowhead Patrol when completed so the stickers can be issued.

(D) Visitors and all contractors are required to have a Guest Pass (a temporary vehicle pass) obtained by the homeowner from Arrowhead Patrol. This Guest Pass is to be placed on the dashboard, be visible from outside the vehicle and be displayed during the time the vehicle is at Arrowhead. There is no limit to the number of Guest Passes that will be made available to an Owner; provided, however, that Owners are not permitted to provide Guest Passes to anyone that is not that Owner's guest, contractor, or other invitee.

2. TRAFFIC CONTROL ON FILING ROADS:

(A) The Board established a speed limit for the Filing Roads in Arrowhead at twenty (20) miles per hour. All motorized vehicles shall be operated in a manner deemed reasonable and prudent for existing road conditions and pedestrian traffic. Snowmobiles shall be utilized in a safe manner at the posted speed limits and in conformance with the applicable Federal and State laws and regulations.

(B) Vehicle parking on Filing Roads is prohibited except with the permission of Arrowhead Patrol.

(C) The Board will annually establish a date to close Filing Roads to all motorized vehicle traffic except snowmobiles and all-terrain vehicles (ATVs and UTVs) with snow tracks that leave a light footprint.

(D) The maximum weight of the tracked vehicle and load capacity will not be more than 2,500 pounds. The maximum overall width, including tracks, will not be more than eighty (80) inches. Prior approval from Arrowhead Patrol is required before utilizing the above snow tracked vehicle at Arrowhead. Tracked vehicles that weigh more than 2,500 pounds must only be transported on a trailer throughout the subdivision.

(E) After the established closing date of the Filing Roads, it will not be permissible to operate cars, trucks, or any other motorized vehicles, except snowmobiles and approved tracked vehicles.

(F) All motorized vehicles, snowmobiles and tracked vehicles must stay on the designated marked trails and Filing Roads. This does not preclude AIA vehicles or utility maintenance vehicles, approved by AIA, from entering on the Filing Roads to make emergency repairs on water or utility systems.

(G) All summer and winter vehicle traffic must yield and slow to pedestrian, bicycle traffic, horseback riders, snow shoers, and cross country skiers at all times.

(H) Operators of ATVs, UTVs, motorcycles, snowmobiles and tracked vehicles are subject to the same traffic regulations and rules for safe operation as those required for other larger street vehicles.

(I) Appropriate traffic control signs will be posted at the direction of the Board for the safety of all Owners and their guests.

3. DRIVERS ON FILING ROADS; INDEMNIFICATION OF AIA; WAIVER OF CLAIMS: All drivers on Filing Roads must be fully in compliance with all applicable state, federal, and county laws, including any applicable driver's license requirements. Any Owner that allows any guest, including any immediate family member, to operate an off-highway vehicle in Arrowhead agrees to indemnify and hold AIA harmless of and from any and all causes of action, claims, counterclaims, cross claims, third party claim, debts, demands and other liabilities arising out of or relating to that guest operating the off-highway vehicle in Arrowhead to the fullest extent permitted by law. To the fullest extent permitted by law, each and every Owner waives, disclaims, discharges, and releases each and every claim, cause of action, cross claim, counterclaim, third party claim, debt and other liability of and against AIA arising out of or relating to the operation of any off-highway vehicle by Owner and/or any person of whom Owner is the parent or legal guardian.

4. WINTER PARKING LOT RULES:

(A) Owners must have a numbered Arrowhead sticker on their motor vehicles, trailers, snowmobiles, ATV's and UTV's in order to use the Winter Parking Lot. Arrowhead Patrol will monitor the Winter Parking Lot for rule infractions and take appropriate action. Do not leave a vehicle in the main parking lot for an extended period of time that cannot be moved if the lot needs to be plowed. Leave a spare key(s) with Arrowhead Patrol for vehicles remaining in parking lot for any extended period.

(B) Paid spaces are available for open/enclosed trailers. Enclosed trailers will park where designated. The designated spaces may be changed by the Board without updating these Regulations, but are currently the far west side. Snow removal will not be provided to this area; thus, these trailers will not be required to move when the lot is plowed. Open trailers will park on the northwest corner of the main parking lot. Spaces are available for a fee established by the Board. Arrowhead Patrol will provide information regarding securing a long-term trailer space and the current amount of the parking fees.

(C) Snowmobiles will be parked on the elevated West side area of the parking lot. Short-term parking of snowmobiles and UTV's will be allowed for a maximum of three (3) nights in the main area of the parking lot. Chaining multiple snowmobiles together in the vehicle parking area is not allowed.

(D) Guest parking in the Winter Parking Lot will be provided on a limited basis. There is no limit on the number of Winter Parking Lot guest passes that will be provided to each Site owner by Arrowhead Patrol. Owners are responsible for their guests, tenants or renters and should inform them that a telephone is available in the warming hut for local or 911 calls only.

(E) Weekend vehicles with trailers are to park in the designated area, which is currently the first row south of the diesel parking, but the designated parking area may be changed from time to time by the Board. The vehicle and trailer both must have an Arrowhead numbered sticker or guest pass. No parking will be allowed on the East side of the parking lot. The snowplow must have clear access through this area to dispose of snow during routine grooming and to provide emergency ingress and egress.

(F) Vehicles, snowmobiles and trailers may be parked in the Winter Parking Lot no earlier than October 15th and must be removed from the parking lot no later than May 31st each year (per our County Land Use Permit). Vehicles, trailers, snowmobiles, ATV's & UTV's left in the parking lot after May 31st will be impounded and charged a fine unless other arrangements have been made. Vehicles remaining past 90 days in the impound area will be removed at the Owner's expense.

(G) Vehicles with diesel engines have priority for electric hookup parking spaces, which are limited in number. Assignment of a parking space with an electrical hookup is made on a first come basis. The fee is set annually by the Board and may be established at seasonal, weekly, and weekend rates. See Arrowhead Patrol to reserve a space and pay the fee.

ARTICLE 8. POLICY AND PROCEDURES FOR THE ENFORCEMENT OF GOVERNING DOCUMENTS

1. ARROWHEAD PATROL COMMUNICATION: As part of their job functions, Arrowhead Patrol may observe or otherwise obtain information relating to potential violations of the Governing Documents. Upon learning of any potential violation, Arrowhead Patrol may provide the Owner with information regarding the Governing Documents and may notify the Owner that a violation exists. If Arrowhead Patrol does not believe that such information provided to the Owner will bring a satisfactory resolution of the potential violation, Arrowhead Patrol shall inform the Board of the potential violation and the information provided to the Owner.

2. ENFORCEMENT POLICIES AND PROCEDURES:

(A) *Discretionary Procedures:*

(I) The Board, upon learning of an alleged violation of the Governing Documents, may: (a) provide an Owner with information relating to an alleged violation and/or the Governing Documents, (b) provide the Owner with a verbal or written request to remediate an alleged violation to the satisfaction of the Board or to otherwise take such action as to ensure no future violations occur, or (c) commence such enforcement action as the Board believes appropriate in accordance with the procedures set forth below. Given the breadth of alleged types of violations, the Board may engage in all or none of the above actions with respect to any alleged violation.

(II) The Board shall make available to Owners an informal complaint form and process that will allow Owners to notify the Board of alleged violations that may exist and allow the Board to engage in such enforcement action as the Board believes appropriate, if anything (an "Informal Complaint"). The Board shall resolve such Informal Complaints as the Board believes appropriate in its discretion.

(III) The Board of Directors shall also make available to Owners a formal complaint form and process (a "Formal Complaint") that will allow Owners to directly request that an Owner be fined for an alleged violation. The Board will process a Formal Complaint as set forth below.

(B) *Formal Complaint Procedure*: AIA shall not impose fines for any violation of any covenant, bylaw, guideline, rule or regulation of AIA until such time as AIA has complied with the following procedures:

(I) FORMAL COMPLAINT

(a) Any Owner may send or deliver to AIA via hand delivery, regular mail or email to AIA (current email address: aiaownerviolation@gmail.com) a Formal Complaint of any violation of any Governing Document. The Formal Complaint shall, at a minimum:

i. describe the covenant, bylaw, guideline, rule or regulation violated,

ii. identify the alleged violator to the best of the complaining Owner's knowledge, and

iii. provide a short and plain statement of the facts giving rise to the violation such that, if the facts stated in the Formal Complaint are true, the alleged violation would exist.

(b) The Board, upon the discovery of any violation of the Governing Documents, may lodge its own Formal Complaint by approving the same, which Formal Complaint shall meet the same minimum requirements for content set forth above.

(II) AIA'S INITIAL REVIEW OF FORMAL COMPLAINT BY OWNER**:** Within 15 calendar days of receipt by AIA, AIA shall perform an initial review of any Formal Complaint provided by any Owner to determine whether the Formal Complaint meets the minimum requirements set forth in Article 8, Section 2.(B)(I) above. If the Formal Complaint does not meet these minimum requirements, AIA shall reject the Formal Complaint and notify the Owner who filed the Formal Complaint that the Formal Complaint does not meet the requirements of Article 8, Section 2.(B)(I). AIA may, but need not, provide to the complaining Owner a written explanation of why the Formal Complaint does not satisfy the requirements of Article 8, Section 2.(B)(I). If the Board believes, in its sole discretion, that the Formal Complaint is adequate, but that it is in the best interests of AIA to resolve the matter without imposing a fine, AIA may request that the complaining Owner allow the Formal Complaint to be treated as an Informal Complaint and, if the complaining Owner agrees, the Formal Complaint will be treated as an informal complaint, but if the complaining Owner wishes to continue with the Formal Complaint, the notice and hearing process shall continue as set forth below.

(III) NOTICE OF ALLEGED VIOLATION: Within 15 calendar days of the Board lodging a Formal Complaint or the satisfactory completion of AIA's initial review of a Formal Complaint by an Owner that does not result in a conversion of the Formal Complaint into an Informal Complaint, AIA shall, if the Board reasonably determines that the alleged violation exists, mail to the alleged violator the following via regular mail:

(a) A copy of the Formal Complaint;

(b) A copy of this Article 8 of the Regulations; and

(c) A notice of Formal Complaint (a "Notice of Complaint"), which shall state, at a minimum, in addition to any other information required by law, that:

i. Complaint has been made,

ii. Whether any of the alleged violations are continuing violations and if they are continuing violations, the action or actions required to cure the alleged violation,

iii. Whether any of the alleged violations threaten public safety or health,
iv. The amount of the possible fine or other action AIA may take if the alleged violation or violations occurred or are occurring, and specifies that continuing violations may result in fines every other day,
v. That the alleged violator has a right to a hearing and such other rights as provided by the governing documents for AIA, and
vi. The notices and opportunity to cure information required under Article 8, Section 2.(B)(IV) below, as and if applicable.

(IV) OPPORTUNITY FOR CURE:

(a) If AIA through the Board or the Board's designated representative reasonably determines that the violation threatens public safety or health, the Board shall provide the Owner written notice, in English and in any language that the Owner has indicated a preference for correspondence and notices, of the violation informing the Owner that the Owner has seventy-two hours to cure the violation or AIA may fine the Owner after a Notice of Decision has entered against the Owner. If, after an inspection of the Lot, the Board determines that the Owner has not cured the violation within seventy-two hours after receiving the notice, and once a Notice of Decision has entered against the Owner, AIA may impose fines on the Owner every other day in the amounts set forth in the Notice of Decision and may take legal action against the Owner for the violation; except that in accordance with CCIOA, AIA shall not pursue foreclosure against the Owner based on fines alone.

(b) If AIA through the Board or the Board's designated representative reasonably determines that an Owner committed a violation of the Governing Documents, other than a violation that threatens the public safety or health, the Board shall, through certified mail, return receipt requested, provide the Owner written notice, in English and in any language that the Owner has indicated a preference for correspondence and notices, of the violation informing the Owner that the Owner has thirty days to cure the violation or AIA, after conducting an inspection and determining that the Owner has not cured the violation and after a Notice of Decision has entered against the Owner, may fine the Owner; however, the total amount of fines imposed for the violation may not exceed five hundred dollars. AIA shall grant an Owner two consecutive thirty-day periods to cure a violation before AIA may take legal action against the Owner for the violation that does not threaten the public safety or health. As provided by CCIOA, AIA shall not pursue foreclosure against an Owner based on fines owed.

(c) If the Owner cures the violation within the period to cure afforded the Owner, the Owner may notify AIA of the cure and, if the owner sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the Owner sends the notice. If the Owner's notice does not include visual evidence that the violation has been cured, AIA shall inspect the Lot as soon as practicable to determine if the violation has been cured.

(d) If AIA does not receive notice from the Owner that the violation has been cured, AIA shall inspect the Lot within seven days after the expiration of the thirty-day cure period to determine if the violation has been cured. If, after the inspection and whether or not AIA received notice from the Owner that the violation was cured, AIA determines that the violation has not been cured:
   i. A second thirty-day period to cure commences if only one-thirty day period to cure has elapsed; or
   ii. AIA may take legal action if two thirty-day periods to cure have elapsed.

(e) Once the Owner cures a violation, AIA shall notify the Owner, in English and in any language that the Owner has indicated a preference for correspondence and notices:
   i. That the Owner will not be further fined with regard to the violation; and
   ii. Of any outstanding fine balance that the Owner still owes AIA.

(V) REQUEST FOR HEARING: If the alleged violator desires a hearing on the Formal Complaint, including any possible action that AIA may take if the violation or violations alleged in the Formal Complaint occurred or are occurring, the alleged violator must provide a written request for a hearing (the "Request for a Hearing") to AIA by certified mail, return receipt requested. The Request for a Hearing must be postmarked no later than 15 calendar days of the date of the Notice of Complaint. The Request for a Hearing shall not be effective unless it is actually received by AIA. The Request for a Hearing shall include, at a minimum:

(a) a statement of any allegations in the Formal Complaint which the alleged violator disputes,

(b) with respect to any defense other than a denial of the facts alleged in the Formal Complaint, a short and plain statement of any grounds or bases for any defense, and

(c) to the extent that the alleged violator believes that the fine or other action identified by AIA in the Notice of Complaint would not be the correct fine or other action, a short and plain statement of why it is incorrect and what the correct fine or other action would be.

(VI) NOTICE OF HEARING: Within 7 calendar days of the receipt of a Request for a Hearing, AIA shall provide written notice to the alleged violator via regular mail of the date, time and location of the hearing (the "Notice of Hearing"). The hearing shall be held no less than 15 calendar days from the date of mailing the Notice of Hearing. Unless the alleged violator and AIA agree otherwise, the hearing shall be held no sooner than expiration of any applicable cure period and no later than 65 calendar days from the date of mailing the Notice of Hearing.

(VII) DECISION MAKERS:

(a) Owner shall have the option of having a Third Party Attorney, as defined below, or the Board act as the decision maker at the hearing. Unless otherwise requested, the Board shall act as the decision makers at the hearing

unless any one or more member(s) of the Board will not be an impartial decision maker, in which case the other Board members, or such members thereof as they so choose, shall serve as the decision makers; provided, however, that in their sole discretion, the Board may appoint an Owner or Owners to serve as the decision makers in lieu of the Board or any member of the Board. In no event shall there be more decision makers at a hearing than there are members of the Board, but the Board may have any number of decision makers less than the total number of Board if desired; provided, however, that there shall always be an odd number of decision makers. Regardless of whether the Formal Complaint was lodged by AIA, there may be only one decision maker if the Board, in its sole discretion, elects to have only one decision maker.

(b) Alternatively, if the alleged violator so elects, an attorney shall serve as the decision maker at the hearing. If the alleged violator elects to have an attorney serve as the decision maker, the alleged violator must provide AIA with a request for an attorney to serve as the decision maker at least 5 business days prior to the scheduled hearing (the "Request for Third Party Attorney"). If AIA receives the Request for Third Party Attorney at least 5 business days prior to the scheduled hearing, the hearing date will be canceled and AIA shall provide the alleged violator with a list of at least three attorneys that: i. are licensed to practice law, ii. have offices located in Gunnison or Montrose County, iii. do not represent AIA, iv. have not represented AIA within the last two years, v. are not members of any law firm that has represented AIA within the last two years and does not currently represent AIA, and vi. is willing and able to serve as the decision maker at the hearing. From this list, the alleged violator shall within five business days of being provided such list select one attorney to serve as the decision maker at the hearing (the "Third Party Attorney"). AIA shall establish a mutually agreeable time for the hearing with the alleged violator and the Third Party Attorney; provided, however, that if the alleged violator cannot make himself or herself available at a mutually agreeable time within 60 days of the selection of the Third Party Attorney, AIA shall schedule the hearing for the last possible date within such 60 days that is mutually agreeable to both AIA and Third Party Attorney, provided that such date is at least 20 days from the date of selection of the Third Party Attorney. AIA shall provide the alleged violator with a notice stating the date and location of the hearing at least 15 days prior to the hearing date unless the date and location are set by mutual agreement of the alleged violator, in which case no notice shall be necessary.

(VIII) ALL DECISION MAKERS SHALL BE IMPARTIAL: All decision makers at the hearing shall be impartial decision makers. A person cannot be an impartial decision maker if he or she has any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of AIA. Any person who cannot serve as an impartial decision maker shall, sufficiently prior to the hearing to enable the

appointment of a substitute decision maker if desired by the Board, inform the Board and recuse himself or herself from serving as a decision maker at the hearing.

(IX) CONDUCT OF HEARING: The scope of the hearing shall include, at a minimum, those subjects to be included in the Notice of Decision. The decision makers may, by majority vote at the hearing, elect one decision maker to serve as the presiding officer for the hearing. If a presiding officer is elected, the presiding officer will be responsible for the efficient administration of the hearing. In the absence of a presiding officer, the decision makers shall be responsible for the efficient administration of the hearing. The hearing shall be conducted in such a manner that provides the party filing the Formal Complaint and the alleged violator with an opportunity to be heard, to present any witnesses with testimony relevant to the alleged violation or violations, and to present any other evidence relevant to the alleged violation or violations. The party filing the Formal Complaint, if unable to be present, may submit a letter or other documentary evidence to the decision makers for review, and the alleged violator shall have the opportunity to review the documentary evidence and respond to such at the hearing. In the interest of efficiency, the presiding officer or, in the absence thereof, the decision makers, may stop the presentation of evidence and argument that is duplicative or irrelevant. Unless otherwise determined by the Board in accordance with Colorado law, all hearings shall be open to attendance by all members of AIA. Any party, AIA, and the decision makers may record the hearing if so desired.

(X) NOTICE OF DECISION.

(a) After the hearing, the decision makers for such hearing shall make their decision by majority vote. The decision makers shall, in rendering their decision, take into account the Formal Complaint, the Request for a Hearing, and the evidence and argument presented at the hearing. The written decision shall be mailed via regular mail to the alleged violator and the party making the Formal Complaint no later than 15 calendar days after the hearing (the "Notice of Decision"). The Notice of Decision shall include:

i. a finding of whether the violation or violations alleged in the Formal Complaint occurred or are occurring,

ii. a finding of whether the alleged violator is the one who should be held responsible for the violation,

iii. if such violation or violations exist, a finding of whether the violation or violations are a continuing violation,

iv. a finding of what, if any, fine or other action shall be imposed by AIA as a result of any violation or violations, if any,

v. if such violation or violations exist, a finding as to whether the violation threatens the public safety or health, and

vi. a statement of any applicable cure and all other matters that the Owner must be given notice of pursuant to Article 8 2. (b) (X) and (XI), as applicable.

(b) The decision makers may also determine, based upon the evidence presented at the hearing that additional, separate or different violations from those

alleged in the Formal Complaint occurred or are occurring provided that such evidence was relevant to the alleged facts or violations in the Formal Complaint and the same violator is responsible. If such finding of additional, separate or different violations is made, the Notice of Decision shall also:

i. identify those violations,
ii. state whether such violations are continuing violations,
iii. state whether such violations threaten public health or safety, and
iv. state what, if any, fine or other action shall be imposed by AIA as a result of such violations.

(XI) FAILURE TO MAKE REQUEST FOR A HEARING: Upon the failure of an alleged violator to make a timely Request for a Hearing, the Board may, within 30 calendar days of the date of the Notice of Complaint and the expiration of any opportunity to cure, consider all allegations in the Formal Complaint as true and shall assess the fine or take such other action as was identified in the Notice of Complaint. Alternatively, if no timely Request for a Hearing is made, the Board may conduct its own independent investigation and, following such investigation, assess the fine or take such other action as was identified in the Notice of Complaint or impose a lesser fine or take such lesser action that the Board, in its sole discretion, believes appropriate. The Board shall mail to the violator via regular mail a written notice of the fine or other action imposed by AIA as a result of the violation or violations, if any. This Board determination is also a "Notice of Decision" and must include the information and determinations required of a Notice of Decision as set forth above.

(XII) COSTS OF PROSECUTION: AIA is entitled to recover from a violator all costs incurred by AIA in the successful prosecution of a Formal Complaint lodged by AIA, including AIA's reasonable attorneys' fees and the fees of any Third Party Attorney. AIA shall have engaged in the successful prosecution of a Formal Complaint lodged by AIA if the decision maker or decision makers at the hearing determine that any one or more of the alleged violations occurred or are occurring. The party that is not successful is responsible for the fees of any Third Party Attorney and its own attorney and the reasonable fees of the opposing party's attorney.

(XIII) DUE AND PAYABLE; DELINQUENCY: All fines shall be due and payable at the date the fine is imposed and delinquent if not paid within 30 days of AIA mailing to the violator notice thereof via regular mail. All delinquent fines shall be treated the same as other delinquent assessments, except as provided by CCIOA, and shall incur late fees and interest as set forth in AIA's Dues Collection Policy with respect to delinquent assessments, except if otherwise provided by CCIOA.

(XIV) NON-COMPLIANCE ASSESSMENTS: All fines, attorneys' fees, late charges and other amounts owed incurred by AIA prior to the imposition of a fine that AIA incurred because of an actual violation by an Owner are owed by the Owner to AIA. The non-compliance assessment may be collected as set forth in the Covenants and Colorado law, including without limitation AIA's right to collect attorneys' fees as authorized by Colorado Law and the Covenants.

3. OWNERS RESPONSIBLE FOR GUESTS, TENANTS AND OTHERS: An Owner is responsible for all violations of the Governing Documents by that Owner's guests, tenants, licensees, invitees, contractors, construction professionals, and all other persons on that Owner's Site or the Common Areas at the request, instruction or permission of that Owner. An Owner is subject to a fine for such persons' violations of the Governing Documents to the same extent and as if such violations were committed by the Owner directly.

4. NOT SUBJECT TO DISPUTE RESOLUTION POLICY: The Policy of Dispute Resolution Between AIA and Owners (the "Dispute Resolution Policy") does not apply to this Article 8, including without limitation the fine process under this Article 8.

5. LEGAL ACTION: Notwithstanding any other provision of these policies and procedures, AIA, at any time, may pursue legal action to enforce the Governing Documents without first following the fine procedures set forth above if the Board determines, in its sole discretion that such action is in AIA's best interests. Without limitation, AIA may also institute legal action to recover unpaid fines, attorneys' fees, and interest. In the event that AIA believes that an Owner is in violation of the Governing documents and determines not to proceed with the fine process, AIA may proceed directly with the filing of a legal action in court without first imposing any fine after providing notice and an opportunity to cure in accordance with, and otherwise complying with, C.R.S. § 38-33.3-209.5, if the notice and cure provisions are applicable. Except with respect to the fine process set forth in Article 8, Section 2, AIA's cure process shall be the cure process set forth in C.R.S. § 38-33.3-209.5.

6. SUSPENSION OF RIGHTS: The right of an Owner to vote may be suspended as set forth in the Governing Documents. In addition, the right of an Owner to vote shall be automatically suspended if the Owner is more than 30 days delinquent in payment of any assessment, fee, or other charges by AIA.

7. SERVICE OF NOTICES: Whenever mailing of any document or notice to an Owner is appropriate under this Article 8 and in addition to any other specification on notice under this Article 8, such document or notice shall be mailed to the most current address of the Owner that is in AIA's records and at the Owner's most current email address on file with AIA. Similarly, whenever mailing of any document or notice to AIA is appropriate under this Article 8, such document or notice shall be mailed to AIA at the most current address the Owner is advised of in writing or, if no such address has been provided, at the most current address for AIA with the Colorado Secretary of State and emailed to the email address for the Board as set forth on AIA's website. Any hardcopy mailing of notice under this Article 8 shall be sent by certified mail return receipt requested and by regular first class mail.

8. FAILURE TO ENFORCE: Failure of AIA to enforce any Governing Document or part thereof shall not be deemed a waiver of the right to do so for any subsequent violations of such Governing Document or part thereof. Nor shall the failure of AIA to enforce any Governing Document or part thereof be deemed a waiver of the right to enforce any other Governing Document or part thereof.

9. ALTERNATE SERVICE: Notwithstanding any other provision in this Article 8, any document, including without limitation any notice, required to be given by AIA may be given by hand delivery, posting, or any form of mailing. Any such alternate form of delivery may be in addition to or in lieu of any method otherwise stated in this Article 8 and any such alternate delivery shall be effective upon receipt.

10. SEVERABILITY: If any provision or portion of any provision in this Article 8 is invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of the provision or any other provision, which shall to the fullest extent permitted by law be valid and enforceable.

ARTICLE 9. FINE SCHEDULE

1. SCHEDULE OF FINES: Except as otherwise set forth in the Governing Documents, the schedule of fines for violations of the Governing Documents is as follows:

(A) Article 2: Use of Sites Violations.

- **Use of a Site other than as a Single Family Residence or single family campsite:** $500.00 for First Violation
- **Existence of 2nd RV on a Site for more than 14 days per month during the camping season:**
  $150.00 - a continuing violation
- **Occupancy of RV on homeowner Site for more than 14 days a month:**
  $150.00 - a continuing violation
- **Not removing camping equipment including RVs by designated date:**
  $150.00 - a continuing violation
- **Vehicle abandoned on an owner's Site, Common Areas, Filing Roads or Winter Parking Lot:**
  $150-a continuing violation
- **Existence of a pit toilet:**
  $150.00 - a continuing violation. Removal required
- **Elevated fuel tanks that violate size and placement:**
  $150 - a continuing violation
- **Advertising sign installed on site:**
  $150 - a continuing violation
- **Failure of an owner to maintain his/her site:**
  $150.00 - a continuing violation
- **Inadequate screening of garbage cans or storage areas:**
  Current: $150 - a continuing violation

To the extent not expressly provided above, any violation of Article 2 of the Regulations has a base fine amount of $150.00.

(B) Article 3: Common Areas Violations.

- **Violating any of the restrictions on the use of the Common Areas:**
  $150.00 for First Violation

- **Horseback riding in prohibited areas or maintaining a horse on site, failure to execute and comply with Boarding Facility Use Agreement:**
  $150.00 for First Violation

To the extent not expressly provided above, any violation of Article 3 of the Regulations has a base fine amount of $150.00.

(C) Article 4: Forestry Violations.

- **Removing a living tree over 2 inches in diameter without approval from the designated authority:**
  $500 for First Violation

To the extent not expressly provided above, any violation of Article 4 of the Regulations has a base fine amount of $150.00.

(D) Article 5: Lakes and Fish Violations.

- $100.00 for violating any of the General Rules for Fishing

(E) Article 6: Health, Safety and Public Welfare.

- **Starting a fire outside of an approved fire pit:**
  $500.00 for First Violation
- **Violating a fire ban:**
  $500.00 for First Violation
- **Violating any provision of the Outdoor Fire Permit:**
  $500.00 for First Violation
- **Discharging a firearm:**
  $500.00 for First Violation
- **Setting off fireworks or explosive devices:**
  $500.00 for First Violation
- **Hunting or trapping on private lots or common ground:**
  $500.00
- **Creating excessive noise or a public nuisance:**
  $150.00
- **Animals not under owner's control or off-site:**
  $150.00
- **Using poisons or pesticides outside of buildings:**
  $150.00
- **Trash or garbage not properly stored or removed:**
  $150.00
- **Discharging black or grey water onto the ground:**
  $150.00 for First Violation
- **Lawn Watering:**
  $150.00

To the extent not expressly provided above, any violation of Article 6 of the Regulations has

a base fine amount of $150.00.

(F) Article 7: Vehicles and Traffic Control.

- **Failure to register vehicles, snowmobiles, ATVs UTVs, or trailers with the AIA:**
  $150.00 - a continuing violation
- **Speeding in excess of the posted speed limit:**
  $150.00
- **Unauthorized parking on the Filing Road:**
  $150.00
- **Operating street vehicle after road closure:**
  $150.00
- **Any motorized vehicle being operated off the Filing Roads or approved parking: areas**
  $150.00 to $500.00 depending on the damage caused
- **Failure to obey signs:**
  $150.00
- **Operation of off-highway vehicles in a manner that violates these Regulations:**
  $150.00
- **Failure to remove vehicles, trailers, snowmobiles and sleds from winter parking lot by designated date:**
  $150.00 - a continuing violation

To the extent not expressly provided above, any violation of Article 7 of the Regulations has a base fine amount of $150.00.

(G) Articles 18, 19, and 20: Design Review Guidelines.

- **Failure to obtain approval of plans, plan changes or failure to follow approved plan:**
  $500.00 for First Violation
- **Use of unapproved materials in building an Improvement:**
  $500.00 - a continuing violation
- **Failure to obtain a Design Review Permit:**
  $500.00 -a continuing violation
- **Failure to comply with ten (10) foot Setback restrictions:**
  $500.00 for First Violation-a continuing violation
- **Detached garage with utilities other than electricity, propane or a wood stove:**
  $500.00 for First Violation – a continuing violation
- **Shed with utilities other than electricity, propane or a wood stove:**
  $500.00 for First Violation – a continuing violation
- **Moving a prefabricated or existing shed onto a site without the approval of DRC:**
  $500.00 - a continuing violation
- **Moving a prefabricated residence onto a site:**
  $500.00 - a continuing violation
- **Installing Solar Equipment without DRC approval:**
  $500.00 - a continuing violation

- **Building a fence without approval:**
  $500.00 for building a fence without DRC approval
- **Failure to Dry-In within 3 years:**
  $500.00 for First Violation - a continuing violation
- **Construction vehicles parked on a site without an active project or beyond the end of the building season:**
  $150.00 – a continuing violation

To the extent not expressly provided above, any violation of Articles 18, 19, or 20 of the Regulations has a base fine amount of $500.00.

(H) Any violation of any provision of the Covenants shall have the same fine as any violation of any corresponding provision of the Regulations. To the extent any provision of the Covenants does not have a corresponding provision of the Regulations, the amount of fine for the violation of the Covenants shall be $150.00. To the extent that no fine is provided above for any provision of these Regulations, the base fine amount is $150.00.

2. SCHEDULE OF FINES FOR SECOND AND SUBSEQUENT VIOLATIONS: Upon the occurrence of a second violation of the same covenant, bylaw, guideline, rule or regulation by the same violator, the amount of the fine shall be double the amount of the initial fine and, for every violation thereafter of the same covenant, bylaw, guideline, rule or regulation by the same Owner, it shall be triple the amount of the initial fine.

   Example 1*: If an owner shoots off fireworks, he would be liable for a fine at the base rate for shooting off fireworks. If the owner subsequently shot off fireworks, he would be liable for the base fine for the first firework event and subject to double fines for the second event and treble for the third event. Each event in which fireworks are shot off is treated as a single violation.*

   Example 2*: If an owner chops down a tree in violation of the Governing Documents, he will be liable for a single fine at the base rate per tree. Tree cutting violations have an especially high base fine because trees are seen as an integral part of the community. Accordingly, if the owner cuts down two trees, he will be liable at the base rate for the first tree, but liable at double the amount of the initial fine for the second and three times the amount for each subsequent tree removed in violation of the Governing Documents. By way of illustration, if the fine for unpermitted tree removal is $200 and the owner cuts down twenty trees to improve his view, he will be fined $200 for the first tree, $400 for the second tree, and $500 (the maximum fine amount) for each of the remaining 18 trees for a total fine of $9,600.*

3. INCREASED FINES: The decision makers at any hearing, if one occurs, and AIA, if a hearing does not occur, may impose up to triple the amount of the fine as shown on the schedule of fines set forth above if the decision makers or AIA find:
   (A) That the violator acted with an intentional disregard of the covenant, bylaw, guideline, rule or regulation violated, or
   (B) That the violation created a substantial risk to the health or safety of persons other than the violator.

***Example 1**: Owner John tells Owner Bob that he would love to shoot off fireworks, but shooting off fireworks in the subdivision violates its Governing Documents and is prohibited. Owner Bob agrees he also likes to shoot off fireworks and he proceeds to shoot off fireworks anyway. Owner Bob, knowing that shooting off fireworks violates the Governing Documents, could be charged three times the base fine amount for shooting off fireworks even if it is just his first violation.*

4. CONTINUING VIOLATIONS: Continuing violations are a separate violation for each day the violation exists, but fines are imposed every other day. If the violation is a continuing violation, a separate finding of a violation for each day that the violation continues is not necessary and the fines will automatically escalate pursuant to Article 9, Section 2 above ever other day. A continuing violation will not be considered to have ceased until the violation in fact ceases as determined pursuant to C.R.S. § 38-33.3-209.5.

   ***Example 3**: An Owner constructs an Improvement without first obtaining the required approvals in accordance with the Governing Documents. The Improvement constitutes a new violation each day it continues to exist because it is a continuing violation. If the fine amount for constructing an Improvement without approval is $100, the Owner will be fined $100 for the day the Improvement is constructed, $200 for the day after the Improvement is constructed, $300 on the third and every day thereafter.*

5. DEFINITION OF CONTINUING VIOLATION: A continuing violation is any violation which by its nature will continue unless the violator or some other person removes, stops, or otherwise rectifies the cause for the violation. By way of example and not limitation, a continuing violation would include placing a prohibited number of recreational vehicles on a lot. Article 9, Section 1 provides a non-exhaustive and non-exclusive list of potential violations of the Regulations for AIA and, where applicable, identifies whether such violations will generally be considered continuing violations. Article 9, Section 1 does not identify certain violations of the Regulations as continuing violations where the violation will not generally be a continuing violation. However, though a particular violation is not designated in Article 9, Section 1 as a continuing violation, the actual violation may be a continuing violation notwithstanding the absence of such designation in Article 9, Section 1.

6. MAXIMUM FINES: Notwithstanding any other provision of the Governing Documents to the contrary, pursuant to C.R.S. §38-33.3-209.5, the total amount of fines imposed for a violation may not exceed five hundred dollars.

ARTICLE 10. POLICY OF DISPUTE RESOLUTION BETWEEN AIA AND OWNERS

1. GENERAL POLICY: It is the general policy of AIA to encourage the use of Alternative Dispute Resolution (ADR) to resolve disputes involving AIA and an Owner. For the purposes of this policy, ADR is defined as an alternative procedure for settling a dispute through mediation, rather than through litigation. In the event of any dispute between AIA and an Owner, except for Exempt Claims as defined below, AIA and the Owner shall make every reasonable effort to resolve the dispute in good faith through mediation by following the procedures set forth below prior to filing suit in any

court. Nothing in this policy shall prohibit the parties from mutually agreeing to resolve a dispute through informal voluntary negotiations without the use of a mediator at any time.

2. EXEMPT CLAIMS: The following claims shall be exempt from the provisions of this policy (Exempt Claims):

   (A) Any action by AIA against an Owner to collect regular, special, or noncompliance assessments or other sums due to AIA, including by way of example and not limitation, filing a Notice of Lien, commencing litigation, or foreclosing a statutory or judgment lien, and except with respect to claims of violations committed by AIA, any and all claims of violations by any Owner or other alleged violator of any Governing Document.

   (B) Any claim that would be deemed barred due to the running of the applicable statute of limitations as of the date of the Notice of Claim.

   (C) Any claim arising from a situation that involves an imminent threat to the peace, health, or safety of the community.

   (D) Any claim prosecuted under Article 8 of these Regulations.

3. PROCEDURE FOR ALL OTHER CLAIMS: AIA and any Owner must attempt to resolve a dispute, other than an Exempt Claim, through mediation following the procedures below as a precondition to filing litigation.

   (A) *Mandatory Mediation*.

      (I) Notice of Claim. AIA or any Owner having a claim (Claimant) against the other party (Respondent) shall notify each Respondent in writing of the claim (Notice). The Notice shall state:

         (a) The nature of the claim, including all the factual details supporting the claim, including the date, time, location, and names and contact information for all persons known to be involved as a party or witness to any event;

         (b) The basis of the claim (i.e., the provisions of the Covenants, the Bylaws, the Articles, rules or regulations, statute, or other authority out of which the claim arises); and

         (c) The Claimant's proposed resolution of the dispute.

         (d) The Notice shall be mailed to each Respondent by Certified Mail with Return Receipt and a Certificate of Mailing. The date of mailing shall be as evidenced by the Certificate of Mailing obtained from the U.S. Postal Service.

      (II) Response to Notice of Claim. Within fifteen (15) days of the date of mailing of the Notice, the Respondent shall submit to the Claimant a written response (Response) to the Notice that shall state:

(a) The Respondent's position and any defenses to the claim alleged in the Notice or any counterclaims, including any factual details supporting Respondent's position, including the date, time, location, and names and contact information for all persons known to involved as a party or witness to any event; and

(b) The Respondent's proposed resolution of the dispute.

(c) The Response shall be mailed to each Claimant by Certified Mail with Return Receipt and a Certificate of Mailing. The date of mailing shall be as evidenced by the Certificate of Mailing obtained from the U.S. Postal Service.

(III) Selection of Mediator. Upon Claimant's receipt of Respondent's Response, the Claimant shall contact the State of Colorado Office of Dispute Resolution to locate an approved mediator for Gunnison County. Alternatively, the parties may use any other mediator mutually agreed upon by the parties.

(IV) Mediator Fees. The fee of the mediator shall be shared on an equal basis between the parties.

(V) Scheduling of Mediation. The mediator shall contact the parties and schedule a date for mediation with the parties that shall be within thirty (30) days of the date of the mailing of the Notice. If the Mediator is unable to schedule the mediation within the thirty-day period, the parties may mutually agree to extend the deadline for conducting the mediation or select another mediator.

(VI) Failure of Claimant to Participate in Mediation. If the Claimant fails to participate in mediation, the claim shall be deemed waived and the Respondent released from any future liability based upon the facts of the original claim.

(VII) Failure of Respondent to Participate in Mediation. If the Respondent fails to participate in mediation, the Claimant may proceed with litigating the claim.

(VIII) Failure to Resolve Dispute through Mediation. If the parties do not settle the matter through mediation, either party may proceed with litigating any claim or counterclaim raised in the Notice or Response.

4. Notices. If a Notice or Response is given by AIA, the Notice or Response shall be mailed, postage prepaid, by first class mail addressed to the involved Owner(s) of AIA at the address(es) shown in the records of the office manager. If given by an Owner, notice shall be mailed, postage prepaid, by first class mail addressed to Arrowhead Improvements Association, Inc. The office manager shall promptly deliver copies of the Notice or Response to the President and Secretary of AIA.

5. Settlement Agreement. Any settlement between the parties shall be in writing and signed by both parties and the mediator, if any.

6. Costs. Each party shall bear his own costs incurred in resolving the claim through mediation, including any attorney fees and any other expenses.

ARTICLE 11. DUES COLLECTION POLICY

1. POLICY: AIA's policy and procedures for the collections of dues and assessments, including all delinquent and other assessments, are as follows:
   (A) Payments for assessments are to be mailed to AIA at the mailing address for AIA as set forth on its website: www.arrowhead1.org.
   (B) Dues assessments are sent quarterly to each owner at the beginning of each quarter (January, April, July, and October).
   (C) All assessed amounts are due by the end of the first month of the quarter (January 31, April 30, July 31, and October 31).
   (D) A reminder notice is sent in the second month of the quarter (February, May, August, November).
   (E) Any returned checks are subject to a $25.00 returned check charge.
   (F) Any unpaid amounts are included in the next billing cycle.
   (G) An account is considered delinquent if unpaid four months after the due date (five months from the time the first billing was mailed: unpaid 1st quarter dues are delinquent on May 31; unpaid 2nd quarter dues are delinquent on August 31; unpaid 3rd quarter dues are delinquent on November 30; unpaid 4th quarter dues are delinquent February 28).
   (H) Delinquent accounts are charged a late fee of thirty-five dollars ($35.00), plus interest at a rate of 8% per year (0.66% per month).
   (I) On a monthly basis and by first-class mail and, if AIA has the relevant e-mail address, by e-mail, AIA shall send to each Owner who has any outstanding balance owed AIA an itemized list of all assessments, fines, fees, and charges that the Owner owes to AIA. AIA shall send the itemized list to the Owner in English or in any language for which the Owner has indicated a preference for correspondence and notices and to any designated contact for the Owner.
   (J) AIA, before it turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, must send the Owner a notice of delinquency by certified mail, return receipt requested, specifying: (i) the total amount due, with an accounting of how the total was determined; (ii) whether the opportunity to enter into a payment plan exists pursuant to C.R.S. § 38-33.3-316.3 and instructions for contacting the entity to enter into such a payment plan; (iii) the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledge in order to verify the amount of the debt; and (iv) that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. The notice of delinquency must: (i) be written in English and in any language that the Owner has indicated a preference for correspondence and notices; (ii) specify whether the delinquency concerns unpaid assessments; unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees or charges, and if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Owner that the unpaid assessments may lead to foreclosure; (iii) include a description of the steps AIA must take before AIA may take legal action against the Owner, including a description of AIA's cure process; and (iv) include a description of what legal action AIA may take against the Owner, including a description of

the types of matters that AIA or the Owner may take to small claims court, including injunctive matters for which AIA seeks an order requiring the Owner to comply with the Governing Documents.

(K) lf the Owner is unwilling or unable to cure the delinquency in full within thirty (30) days, AIA's attorney, on behalf of AIA, will make a good faith effort to set up a payment plan with an Owner for the payment of delinquent assessments, UNLESS the Owner does not occupy the property and has acquired the property as a result of the foreclosure of a security interest encumbering the property OR the Owner has previously entered into a payment plan for the payment of delinquent assessments, in which case the Owner is not entitled to enter into a payment plan.

(L) Any payment plan entered into with an Owner shall permit the Owner to pay off the deficiency in equal installments over a period of at least eighteen months. Under the repayment plan, the Owner may choose the amount to be paid each month, so long as each payment must be in an amount of at least twenty-five dollars until the balance of the amount owed is less than twenty-five dollars. An Owner who has entered into a repayment plan may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan. The Owner must remain current with regular assessments as they come due during the eighteen-month period, or such longer period as the Board may agree. Nothing in the Article prohibits AIA from pursuing legal action against an Owner if the Owner fails to comply with the terms of the Owner's payment plan. An Owner's failure to remit payment of three or more agreed-upon installments or to remain current with regular assessments as they come due during the eighteen-month period, constitutes a failure to comply with the terms of the Owner's payment plan.

(M) Legal remedies available to AIA to collect a delinquent account pursuant to the Governing Documents and Colorado law include filing suit to recover a money judgment personally against the Owner and foreclosure of AIA's statutory lien for assessments, which remedies may be pursued simultaneously. The Board shall review delinquent accounts to determine appropriate collections efforts on a case by case basis and will retain such legal counsel and collections agencies as may be appropriate in its discretion.

(N) All attorney fees and costs incurred in pursuing legal remedies to collect a delinquent account, including but not limited to, negotiating and drafting payment plan agreements, preparing and recording of any notice of lien and release of lien, court filing fees, and service of process fees, shall be assessed to the Owner.

(O) All payments received on a delinquent account are applied in the following order: first to assessments owed, with the oldest paid first, and the remaining amount first to interest, then to late fees, then to court costs, and then to attorney fees, with the oldest of each paid first.

(P) In addition, there will be: (i) a transfer fee, which is also referred to as a record change fee, to be paid to AIA for processing the change of ownership in AIA's records, and (ii) an association status report fee, which is also called a status letter fee, to be paid to the AIA's manager for reporting the amount of dues regularly assessed, information regarding pending special assessments, insurance matters and other matters typically requested by title companies in the course of a sale. AIA does not charge an Owner for a statement of the total amount the Owner owes. The amount of these fees will be set forth in the schedule of fees established by the Board.

(Q) Any Owner desiring that AIA communicate with that Owner using a preferred language other than English must make such request in writing signed by the Owner mailed by certified mail return receipt requested to AIA's manager.

ARTICLE 12. POLICY AND PROCEDURES FOR THE ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES, RULES AND REGULATIONS

1. PURPOSE: This policy and procedure outlines the policies and procedures for the adoption and amendment by the Board of policies, procedures, rules and regulations that apply to Arrowhead and AIA, including these Regulations.

2. POWER TO ADOPT OR AMEND: Pursuant to the Governing Documents and CCIOA, the Board shall have the power to adopt and amend any policies, procedures, rules and regulations applicable to Arrowhead or AIA as set forth herein. The Board has the discretion to determine if a policy, procedure, rule or regulation is necessary for governance of Arrowhead and, or, AIA, or to address issues effecting Arrowhead and, or, AIA.

3. CONSIDERATIONS: In developing a proposed policy, procedure, rule or regulation, the Board shall consider the following:
   (A) Whether the current documents governing Arrowhead and, or AIA and, or Colorado law grants the Board authority to adopt a proposed policy, procedure, rule or regulation.
   (B) The need for the proposed policy, procedure, rule, or regulation, based upon the scope and importance of the issue effecting Arrowhead and, or AIA.
   (C) The immediate and long-term impacts and implications of the proposed policy, procedure, rule, or regulation; and
   (D) Whether a conflict exists between AIA's governing documents, applicable local, state or federal regulations and statutes and the proposed policy, procedure, rule, or regulation.

4. NOTICE AND COMMENT PERIOD: Prior to the adoption or amendment of a policy, procedure, rule, or regulation, the Board shall provide notice of the proposed adoption or amendment to all Owners by: (i) posting the same on AIA's website, and (ii) mailing a notice to all Owners that need not contain any information except a statement that a proposed amendment has been posted on AIA's website. Such internet posting shall include the proposed text of the proposed policy, procedure, rule or regulation, and the time and place of the Board meeting at which the proposed policy, procedure, or rule will be discussed and whether action may be taken. Such internet posting shall be posted on AIA's website for at least ninety (90) days prior to the meeting at which the proposed adoption or amendment may occur. Owners may submit written comments or attend the meeting and provide comments prior to the Board's vote. An additional notice, without the text of the proposed adoption or amendment, shall also be physically posted in at least two physical locations that will be conspicuous to Owners, such as a Board designated message board, and shall state that a proposed amendment has been posted to AIA's website. Such physical posting of the notice shall also be for at least ninety (90) days prior to the meeting at which the proposed adoption or amendment may occur. Revisions subsequent to the initial posting of proposed policies, procedures, rules and regulations shall be posted online at the Association's website at least ten (10) days prior to the meeting at which the proposed adoption or amendment may occur, but need not be re-sent to Owners and no new notification is required. Except for the correction of

typographical errors and filling in dates, no revisions to the proposed policies, procedures, rules and regulations shall occur at the meeting at which the proposed adoption or amendment occurs.

5. ACTION: After notice as required by this procedure, the Board may adopt any policy, procedure, rule, or regulation at a meeting of the Board by affirmative vote of a majority of the Board in attendance when a quorum is present or by any other method authorized by AIA's Governing Documents or pursuant to Colorado law.

6. EMERGENCY: The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that an emergency policy, procedure or rule is imperatively necessary to comply with state or local law or for the preservation of public health, safety, or welfare. Emergency policies, procedures or rules shall become effective upon adoption. Any emergency policy, procedure or rule shall terminate after one hundred twenty days after adoption or at the next Board meeting following adoption, whichever occurs first, unless adopted by the Board in accordance with the procedures in paragraphs 4 and 5.

7. PUBLICATION AFTER ADOPTION: A copy of all policies, procedures, or rules adopted or amended by the Board shall be posted on AIA's website. Unless otherwise provided, any policy, rules, or procedure shall be in full force and effect and subject to enforcement by AIA upon publication on AIA's website.

8. AMENDMENT OF THIS POLICY: This policy may be amended from time to time by the Board in accordance with the procedure detailed in this policy.

ARTICLE 13. RECORDS INSPECTION AND PRODUCTION POLICY

1. MAINTENANCE OF RECORDS: AIA shall keep and maintain those records that CCIOA, specifically mandates AIA shall keep and maintain. AIA may, in the sole discretion of its' Board, keep or maintain records not required to be kept or maintained by the CCIOA. AIA may, in the sole discretion of its Board, keep or maintain records for a longer duration than required by the CCIOA.

2. INSPECTION AND COPYING OF RECORDS: AIA's records shall be subject to inspection and copying by any Owner to the fullest extent required by the CCIOA. As set forth in the CCIOA, certain records, including without limitation attorney-client privileged documents, may or shall be withheld by AIA. In the event that AIA erroneously or otherwise accidentally produces any record to any Owner which record should have been withheld, the Owner shall immediately destroy the record together with all copies and images of such record.

3. REQUEST FOR INSPECTION AND COPYING: An Owner must submit a written request, describing with reasonable particularity the records sought, at least ten (10) days prior to the requested inspection or production of the documents. Inspection and copying shall occur during normal business hours. In the sole discretion of the Board, the inspection or production may be deferred until the next regularly scheduled Board meeting if the meeting occurs within thirty days after the request.

4. COSTS: AIA shall impose a reasonable charge to cover all costs of labor and material for copies of AIA's records. The charge shall include costs of production and reproduction of the records. AIA is not obligated to compile or synthesize information, but to the extent that AIA responds to any request by compiling or synthesizing its information, the requesting Owner shall be responsible for all costs, fees and charges incurred by AIA in responding to the request. Broad requests will require more time to respond to by AIA and its agents and therefore result in larger fees and costs to AIA, which will be passed on to the Owner. By way of illustration only, and not by way of limitation, a request for all AIA records for a period of time covering many months relating to a specific topic will result in substantially more cost to AIA than a request to AIA of a list of specific records identified by date and title. AIA shall require the Owner to pay the invoice for his, her or its record request prior to delivery of any records. Records may be provided to an Owner electronically if agreed to by an Owner.

5. NO COMMERCIAL PURPOSES: AIA records and the information contained within those records shall not be used for commercial purposes.

ARTICLE 14. CONFLICT OF INTEREST POLICY

1. DISCLOSURE AND REFRAINING FROM VOTING: Any Board member having a potential conflict of interest with AIA shall disclose this to the Board and refrain from voting on that matter if the Board determines there is a conflict of interest.

2. STATUTORY APPLICABILITY: AIA and all Board members of AIA are subject to C.R.S. § 7-128-501, as amended.

3. DEFINITION OF CONFLICTING INTEREST TRANSACTION:

   (A) A "conflicting interest transaction" is a contract, transaction, or other financial relationship between:
   - (I) AIA and a Board member, or
   - (II) Between AIA and a party related to a Board member, or
   - (III) Between AIA and an entity in which a Board member is a director or officer or has a financial interest.

   (B) A "party related to a Board member" shall mean a spouse, a cohabitant, a descendent, an ancestor, a sibling, an estate or trust in which the Board member or a party related to the Board member has a beneficial interest, or an entity in which a party related to the Board member is a director, officer, or has a financial interest.

4. CONFLICTS OF INTEREST: If a relationship or interest exists that could result in a conflicting interest transaction, the Board member must disclose the facts concerning the relationship or interest and as to the conflicting interest transaction to other board members entitled to vote thereon.

5. NO PARTICIPATION: The interested Board member will not participate in any discussion regarding the transaction or vote thereon and shall not be present for the remainder of the discussion on the item for which the disclosure was made.

6. QUORUMS: An interested Board member will still be counted in determining whether a quorum exists.

7. REVIEW: The Board shall review AIA's Conflict of Interest Policy on an annual basis. Such review shall include a check for compliance with current Colorado law, as well as the effectiveness and implementation of the policy.

ARTICLE 15. CONDUCT OF MEETING POLICY

Owners are welcome to attend all meetings of the Board except executive sessions, which are held to discuss topics outlined in the CCIOA. The Board encourages attendance and participation. In order for the meetings to progress smoothly through the agenda items, here are some courtesies the Board asks Owners to observe:

1. All meetings will start promptly at the designated time. If Owners arrive after the meeting has started, they should enter quietly and find a seat.

2. Please mute cell phones and keep disruptive noises such as chatter and so forth to a minimum.

3. While the Board is conducting business, please do not interrupt the deliberations of the Board.

4. Prior to the Board taking formal action on an issue (after a motion is made and seconded), a reasonable number of Owners will be allowed to speak for and against an issue.

5. The "Call for Owner Comments" agenda item is a time when Owners may voice their concerns, ask questions and discuss items of interest. Because Board agendas are usually pretty full, comments may be limited, at the discretion of the Board during the course of the meeting, to five minutes in length and to one topic or question. If time permits, an Owner will have the opportunity to speak again after others have been allowed to speak.

6. Any point needs to made only once. It is not necessary that points be repeated by several individuals to have impact. If a prior Owner has made your point, it is sufficient to inform the Board of your agreement with the prior statement.

7. All questions and comments should be made directly to the Board, unless advised by the Presiding Officer that an Owner may ask questions of a guest speaker or other presenter.

8. Please be respectful of others' opinions and do not interrupt someone who is speaking.

9. Comments regarding a particular issue which could cause embarrassment or be hurtful to another person should be discussed with the Board President before the meeting. In this manner, it can be determined if comments may be better resolved at an executive session.

10. If an Owner wants to bring a matter to the Board that will take longer than five minutes, please notify the Board President 10 days before the meeting as to the nature of the presentation and the

approximate time needed. If at all possible, the request will be permitted, but it may need to be deferred to a later Board meeting.

11. Owners and Board members are expected to be civil during meetings. Incivility such as verbal attacks, physical attacks, threats, insults and refusing to abide by the time limits and other procedures for the meeting are not acceptable behavior. If a meeting is disrupted by incivility, the Board member conducting the meeting may ask the person disrupting the meeting to leave the meeting and/or may terminate the meeting.

ARTICLE 16. RESERVE STUDY AND RESERVE FUNDING POLICY

Per §38-33.3-209.4(2) of CCIOA, AIA (AIA) must make the following information available to unit owners, on an annual basis:

1. Any amounts held in reserves for the fiscal year immediately preceding the current annual disclosure.

2. AIA's responsible governance policies adopted under section 38-33.3-209.5 of CCIOA, which includes Article 8 and Articles 10 through 17 of these Regulations.

3. This review complies with §38-33.3-209.5 of CCIOA.

The review includes the oversight and reporting per §38-33.3-209.4(2) and §38-33.3-209.5 of CCIOA.

1. Amounts held in reserve for the fiscal year immediately preceding the current annual disclosure.
2. The status of AIA's responsibility to establish and implement the (9) governance policies adopted under CCIOA.

ARTICLE 17. INVESTMENT POLICY

1. Goals & Objectives: The reserve assets shall be invested to achieve these objectives:
   - Not risk loss of principal;
   - Ensure that adequate liquid funds will be available for each coming year for or to meet the reserve needs;
   - Achieve highest long-term investment performance

2. Investment Strategy:

   (A) *Base Liquid Funds*: On an annual basis, the Board will review the reserve schedule for the upcoming year to determine anticipated funds required for expected reserve expenses are met. This amount constitutes the "Base Liquid Funds."

   (B) *Non-Liquid Funds*: Funds over and above the Base Liquid Funds will be invested as follows:

- Laddering Strategy - Invest in federally insured accounts and maturities of three months or more if interest rates are desirable. If Certificate of Deposits are used, the Certificates should be with varying maturity dates (laddering strategy).
- AIA has a Money Market Account and should maintain this to place maturing Certificates of Deposits that have low return.
- If interest yields are relatively low, the Board will invest for shorter terms with the anticipation that rates will rise in coming months.
- If rates are relatively high, the Board will invest for longer terms to take advantage of the higher yield.
- Saving accounts may be used to roll excess cash into from the standard checking account if directed to do so.

3. Approved FDIC Non Risk Investment Vehicles:
    - Savings accounts
    - Money market accounts
    - Certificates of deposit in FDIC or NCUA insured financial institutions with no more than $250,000 in any such institution, unless additional private deposit insurance is provided by the bank, NCUA or the FDIC.

4. Review & Control:
    - All investments will be purchased in the name of AIA.
    - The signatures of the President and Treasurer are required for all withdrawals or transfers of reserve funds with Board approval.
    - The Board will review regular financial statements and make adjustments as needed to ensure goals & objectives are being met.
    - AIA may from time to time consult with our banking partners and their planners for advice and strategies.

ARTICLE 18. DESIGN GUIDELINES: DESIGN REVIEW COMMITTEE (DRC) OVERVIEW

1. PURPOSE OF THE DRC: The purpose of the DRC is to review and approve plans in accordance with these Design Guidelines and the Covenants to ensure the suitability of Improvements, the harmony thereof with the environment and character of the neighborhood, the effect of such Improvements upon the utilization and view of the Site upon which the same will be built and the obvious interferences, impairment and/or restriction of view, if any, of adjacent property and placement of the Improvements with respect to topography, ground elevations, and existing natural and terrain features. The DRC is to exercise its best efforts to minimize the restriction, impairment and/or interference of view and solar access that any one Improvement shall have upon that of all other existing buildings and other Improvements.

2. DESIGN GUIDELINES: The Design Guidelines are established by the Board pursuant to Article III, paragraph 2 of the Covenants.

3. APPROVAL GENERALLY REQUIRED: Approval by the DRC is required for all Improvements except those specifically enumerated under Article 19, Section 1 below. Improvements that require approval by the DRC include, without limitation:

(A) establishing a driveway and access to a Site,
(B) increasing a parking or driveway area,
(C) installing utilities or solar panels
(D) building a RV pad or RV deck,
(E) building a Single Family Residence,
(F) building a shed,
(G) building a deck or enlarging a deck,
(H) building a detached garage,
(I) making material exterior changes to an existing house or Site, including refinishing the exterior in colors or stains that are not essentially similar to those previously approved, and
(J) establishing screening, fences, dog run or play areas.

4. DRC RESPONSIBILITIES AND FUNCTION: Members of the DRC are Owners in Arrowhead appointed by the Board and function under the guidance of a Design Review Manager, who is an employee of AIA. The number of DRC members is based upon the administrative needs of the DRC and the community activity, but there shall be at a minimum four (4) members.
   (A) The Board is responsible for enforcing, with the assistance of the DRC, the Design Guidelines, as amended by the Board from time to time.
   (B) The DRC shall adopt procedures, subject to approval by the Board, as are appropriate to govern its proceedings.
   (C) The DRC may meet in person, by telephone, by email, or by mail for the purpose of conducting its business and will keep the Board advised as to DRC actions regarding plans submittals, approvals, disapprovals and variances.
   (D) A consensus of at least a majority of members of the DRC, in person or otherwise present, shall be sufficient for all decisions. Approved permits will be signed by those members of the DRC that vote in favor of them. The Board's DRC Liaison may be consulted when consensus cannot be achieved or a decision is split. The DRC Liaison shall have no vote on DRC matters at DRC meetings.
   (E) The members of the DRC shall be entitled to reimbursement for out-of-pocket expenses incurred in the performance of their duties as the budget dictates.
   (F) The DRC Manager or a DRC representative will present a report of the DRC's actions at each Board meeting.
   (G) At least one DRC member will be assigned to an Owner's project until the completion of the project.

5. DRC CONFIDENTIALITY AGREEMENT: Upon appointment all DRC members agree to sign a confidentiality agreement, as the same may be adopted and revised from time to time by the Board in its discretion.

6. DRC WAIVER OF LIABILITY: The DRC and the Board shall not be liable to any person or entity submitting plans to the DRC for any damages arising out of or relating to any failure to act, failure to approve, or failure to disapprove plans. To the fullest extent permitted by law, any person or entity acquiring the title to any property in Arrowhead, or any person or entity submitting plans to the DRC for approval, by so doing, does agree that he, she or it will not bring any action or suit to recover damages against the DRC or the Board, their members as individuals, their advisors,

employees or agents arising out of or relating to the failure to act, failure to approval, or failure to disapprove plans.

7. DRC PROVIDES NO WARRANTIES: Approval by DRC and/or AIA of any Improvements does not constitute any certification or representation or warranty regarding the safety of the Improvement, the Improvement's compliance with any applicable code, or the habitability of any structure. The DRC's review and permitting process is limited to ensuring compliance with the Governing Documents only.

ARTICLE 19. DESIGN GUIDELINES: DRC PROCESS

1. WHEN APPROVAL IS REQUIRED: No Owner shall make any Improvement without first obtaining the applicable DRC approval for that Improvement, EXCEPT that the following Improvements do not require DRC approval:
   (A) Antenna and satellite dishes may be installed without DRC approval provided that such antenna and satellite dishes comply with the Governing Documents and are not over 25 feet above the highest point of the roof.
   (B) An OWTS may be installed without DRC approval provided that all applicable governing entities provide all requisite approvals.
   (C) Signs may be posted and installed without DRC approval provided that such signage complies with the Governing Documents and applicable law.
   (D) Portable dog runs under 100 square feet in size that meet the requirements of these Regulations for installation without DRC approval may be installed and maintained without DRC approval.
   (E) Owners may maintain any already approved Improvement without the necessity of any new DRC approval provided that such maintenance may not change any exterior material finish or color without DRC approval except that DRC approval is not required for color changes that are essentially similar to approved colors.
   (F) Owners may implement such mitigation and defensible space Improvements as are consistent with the Governing Documents and/or as approved by the Forest Manager or his or her Designee.
   (G) When required by the Board, Owners shall implement, make or maintain any Improvements so required and not in conflict with the Governing Documents.
   (H) Improvements that are wholly contained within any self-enclosed structure, such as interior remodels; provided, however, that no interior remodel may result in a violation of the Governing Documents.
   (I) Non-structural exterior Improvements that do not materially change the exterior appearance of an Improvement from what was previously approved for a constructed Improvement.

2. DRC FORMS: The following forms are on the AIA website and should be used in submitting plans to the DRC for review and approval to be issued a Design Review Permit: (www.arrowhead1.org/design-review)
   (A) Plot Plan
   (B) Design Review Process
   (C) Construction Recommendations

(D) Construction Agreement
(E) Driveway Location and Survey Process

3. PLAN SUBMISSION: Prior to constructing any or installing any Improvement for which the DRC approval is required pursuant to Article 19, Section 1 above, Owners shall submit plans and secure a Design Review Permit. No construction, clearing of live trees to accommodate construction, or excavation may be commenced, or otherwise performed prior to obtaining the Design Review Permit.

4. UNIFORM PLANS: The plans submitted to the DRC to obtain a Design Review Permit must be the same plans submitted to the Gunnison County Building Office.

5. PLAN SUBMISSION PROCESS FOR NEW BUILDINGS, STRUCTURES AND DRIVEWAYS: The DRC submission and review process for new buildings, structures and driveways is as follows:
   (A) The Owner is responsible for locating the center pin. It is the Owner's responsibility to ensure the accuracy of the center pin location.
   (B) If the center pin does not have a metal surveyor's tag, the Owner is responsible for having a Site survey completed and the center pin tagged by a surveyor unless a structure is located where the center pin would otherwise be located.
   (C) The Owner is to flag or stake the perimeter of the Site using the measurements from the center pin prior to asking a DRC member to come on-site to discuss the Improvement. A Plot Plan (www.arrowhead1.org/design-review) must be used by the Owner to mark the location of the center pin, the property boundaries, location of driveways and structure(s) presently on the Site. Accurate measurements are important and the proposed new Improvements must be clearly marked on the Plot Plan.
   (D) The Plot Plan shall identify the name of the Owners, the Lot, Block and Filing number of the Site where construction is anticipated. The plot plan may be prepared by the Owner, a contractor, an architect or a professional engineer. The Owner must stake the Site placement of the Improvement.
   (E) Two complete sets of plans showing the exterior specifications for the Improvements must be submitted to the DRC for review. One set of plans will be retained by the DRC for its files and the other will be submitted by the Owner to the Gunnison County Building Office if any building permit is required by Gunnison County. Exterior plans must show the elevations, the dimensions of any building, the height of the building, doors, windows and access steps. Any other Improvement must be depicted in sufficient detail with sufficient measurements for the DRC to provide a specific approval.
   (F) Description of the exterior materials for any walls and roof and color schemes for all walls and roof plans and snow load need to be submitted, including samples and/or color charts of described materials.
   (G) Contractor's name, address, and telephone number must be submitted.
   (H) Structures requiring a building permit from the Gunnison County Building Office must have an engineer's stamp on the plans upon submission to Gunnison County.
   (I) Structures not requiring a building permit from the Gunnison County Building Office can be submitted as a drawing prepared by the Owner or contactor but must show the elevations, dimensions of the building, the height of the building, the roof snow load, doors, windows, access steps, roofing materials and all exterior materials and color samples.

6. PLAN SUBMISSION PROCESS FOR ALL OTHER TYPES OF IMPROVEMENTS: Any application for DRC approval of any Improvement other than a new building, structure or driveway, shall consist of:
    a. A sufficient description and/or depiction of the Improvements to enable the DRC to perform its review, which at a minimum will require a description of any exterior materials, finishes, and specifications, as applicable.

7. PLAN CHANGES: Changes in building plans, which would result in exterior construction differing from original plans and specifications, shall be resubmitted to the DRC for re-approval before construction is initiated, resumed or continued regardless of whether a Design Review Permit has been issued or a building permit is needed.

8. REVIEW OF PLANS:

    (A) The DRC shall act on submitted plans for a proposed Improvement within sixty (60) days and, upon the determination that all supporting data is sufficient, shall in writing approve, disapprove, or approve with conditions. The DRC may ask for more information or supporting data.

    (B) The DRC shall review and act upon any plans before a building permit is sought from the Gunnison County Building Office and two copies of the DRC Permit shall be provided by the DRC to the owner for use by the Owner and Gunnison County. The DRC shall retain one copy of the DRC Permit

    (C) The DRC shall disapprove any plans which are: (i) not sufficient for it to exercise the judgment required of it by these Design Guidelines, or (ii) do not satisfy the requirements of these Design Guidelines or the Covenants. If any additional information is needed to process an application, a request by the DRC for additional information shall constitute a denial of the application. Upon receipt of the requested information, a new 60 day time period will commence and no additional fee shall be required.

    (D) The DRC may use the services of a consultant to review plans but any such consultant used shall not have the power to vote upon any plan.

9. DESIGN REVIEW PERMIT:
    (A) The Gunnison County Building Office requires AIA approval of all Improvements that require a building permit and will not issue a building permit without AIA approval. The DRC gives AIA approval by giving an Owner a Design Review Permit. (www.arrowhead1.org/design-review)
        (I) For construction that requires a Gunnison County building permit, after the Design Review Permit is issued, the owner can take the Design Review Permit and plans to the Gunnison County Building Office to proceed with the project. Owners are responsible for obtaining all permits and licenses for any construction, electrical, plumbing, inspections for structural repairs or remodeling as required by the Gunnison County Building Office.
        (II) For construction that does not require a Gunnison County Permit, after the Design Review Permit is issued by the DRC, the Owner may proceed with the start of construction.

(III) Construction of any building or structure under a Design Review Permit must commence within 24 months of the issuance of the Design Review Permit. If construction of any building or other structure approved under a Design Review Permit does not commence within 24 months of the issuance of the Design Review Permit, the Design Review Permit shall expire.

10. MONITORING CONSTRUCTION: The DRC will visit the Site until completion of the project. The DRC does not inspect the home as a building inspector does but instead monitors the progress of the construction to make sure the Design Guidelines are followed. The Owner signs a Construction Agreement with the DRC which outlines the Owner's responsibilities during the construction period and provides permission to AIA and the DRC for visits during construction. (www.arrowhead1.org/design-review)

11. REQUIRED FEES: All applications for the DRC shall be accompanied by a non-refundable application fee. Each application shall be charged an application fee of $100.00. If multiple plans are submitted as a single application, only $100.00 shall be charged, but if submitted separately, each separate application shall require a separate $100.00 application fee. There is no fee to the DRC an OWTS as the DRC does not review or approve an OWTS and no OWTS application need be filed with the DRC. Permit fees should be mailed to the AIA Office referencing the name and address of the Site and the type of permit.

12. INTERIOR REMODELING: Interior remodeling (including structural interior remodeling), which does not impact the building footprint, square footage, roofline or exterior materials or finishes, does not require a DRC Permit provided that the Governing Documents are not violated by such remodeling, however exterior color changes or material type changes do require a DRC review and approval. In addition, though no permit is required, all structural or interior remodeling must nevertheless comply with the Governing Documents. As the DRC is not involved in such remodeling, no fee is required. An Owner may consult with the DRC, without charge, to determine whether a potential remodel would violate the Governing Documents.

13. WRITTEN RECORDS: The DRC shall keep and permanently safeguard all written records of all applications for approval submitted to it (including one set of all architectural plans), all actions of approval or disapproval and all other actions taken under the provisions of this instrument. Record retention may be file copies or an electronic repository. Records must be clear and include measurements, fixed property structures or markers such as electrical boxes, fire hydrants, specific details and fixed natural landscape markers for reference. The records must be supported by photos, and/or drawings, to show marked tree removal and/or flagging and staking of the plan.

ARTICLE 20. DESIGN GUIDELINES: STANDARDS AND SPECIFICATIONS

1. APPROVAL AND SUITABILITY OF PROPOSED IMPROVEMENTS AND STRUCTURES: In reviewing plans, the DRC shall consider the suitability of the proposed Improvement, the harmony thereof with the environment, the effect of such Improvement upon the utilization and view of the Site upon which the same will be built and the obvious interferences, impairment and/or restriction of view, if any, of adjacent property and placement of the Improvement with respect to topography, ground

elevations, and existing natural and terrain features. In this regard, best efforts will be made to minimize the restriction, impairment and/or interference of view and solar access that any one Improvement shall have upon that of all other existing buildings and other Improvements.

2. CONSTRUCTION SITE PREP AND TREE REMOVAL: No living trees greater than 2 inches in diameter shall be cut down on any site without the prior approval of AIA, which may grant such approval through the Forest Manager or Designee or as part of the DRC review and approval process for purposes of construction of Improvements. It is recommended that the property owner coordinate with the DRC and the Forest Manager for site prep, mitigation or defensible space purposes. This coordinated effort will mostly likely result in a more comprehensive plan and retention of living trees.

3. CENTER PIN AND SETBACK REQUIREMENTS: No structure, whether temporary or permanent, OWTS or RV shall be placed within ten (10) feet of the property line of the Site. Upon construction of a Single Family Residence or other structure where the center survey stake of the Site is removed or covered, the Owner must place four survey stakes equal distance apart on the perimeter of the Site. Center stakes must be clearly marked and may not be removed without approval of the DRC.
   (A) All sites within Arrowhead are circular in shape comprising an area of either .721 acre in Filing 1 or 1.00 acre in Filing 2 and 3 and the Ridges.
   (B) Radius measurement from the center stake to the perimeter of a .721-acre site is 100 feet.
   (C) Radius measurement from the center stake to the perimeter of a 1.00-acre site is 117.75 feet.

4. DRIVEWAY LOCATION AND LAYOUT: All driveways, at some point, come across Common Areas, either directly from the Filing Road or as part of a common driveway to access several sites. Driveway design and layout is subject to review by DRC in order to:
   (A) Help Owners minimize costs for installation of driveways or connection to utilities located along them.
   (B) Minimize the number of trees requiring removal, reduce disturbances to the natural beauty of the area and any necessary re-vegetation requirements.
   (C) Permit a design which allows passage or turn-around of emergency vehicle, whenever possible.
   (D) Allow for shared driveways when feasible and appropriate.
   (E) Assure driveway is in character with the area and to ensure a culvert is installed by the Owner, as necessary, to prevent erosion of the Filing Roads.

5. DRIVEWAY INSPECTION: Issuance of a driveway permit automatically grants the DRC access to the driveway for an inspection when all construction activity is finished.

6. DRIVEWAY STANDARDS: The following driveway standards are established by Gunnison County and specific for Arrowhead. Therefore, a variance from these standards must be approved by DRC.
   (A) All driveways shall have a minimum surface width of fourteen (14) feet at the edge of the Filing Road, taper to a minimum surface width of twelve (12) feet at a distance of six (6) feet from the edge of the Filing Road and maintain this surface width to the end of the driveway.

(B) Additionally, any driveway curve greater than forty-five degrees, with bordering trees, should be at least fourteen (14) feet wide. Additional clearing may be required to facilitate emergency access.

(C) Since most of the surface is rock and it is generally dry when the roads are open, driveway surfaces may be of native material sufficiently smooth to accommodate a two (2) wheel drive car. If driveway passes through a boggy area, gravel will be required.

(D) The maximum grade for a driveway shall be fifteen (15) percent, whenever possible.

(E) The horizontal axis of an approach to a Filing Road shall be at a right angle ninety degrees (90) to the center line of the roadway, whenever possible. An angle between ninety (90) and forty-five degrees (45) shall be permitted if can be shown that physical constraints exist that require an angle of less than ninety (90) degrees. Curved driveways will often be required to meet approach and/or grade requirements.

(F) One driveway or common service driveway to service several sites from a Filing Road shall be allowed on any site. Secondary access variance also may be considered and approved by DRC on a case-by-case basis.

(G) Driveway development design and approval must also consider neighboring sites and the future access required for these sites as well as ease of access for emergency vehicles.

(H) No overhead entry structures are allowed.

Shared driveways will be established, whenever possible. There is no limitation on the number of Sites served by a common driveway.

7. MAINTENANCE OF DRIVEWAYS: Driveway and common or shared driveways are defined as a vehicular access for the use of the Owners and guests and are not considered a Filing Road and are not maintained by AIA and all maintenance is the sole responsibility of the Owner(s).

8. DRIVEWAY COMPLETION: Once the DRC approves a driveway plan, the Owner has two (2) years to complete construction of the driveway or the approval is void and the Owner must reapply. A new driveway fee may also be required. Upon completion of driveway construction, the Owner should contact the DRC so a final inspection can be completed. Upon final approval, the DRC will provide written documentation of approval to the Owner for submission to the Gunnison County Building Office.

9. DRIVEWAY ADDRESS: Every address of a driveway should reflect the Filing Road used to access the property. If access is given to enter a site from a different Filing Road, the address of the site will need to be changed. Property numbers should be in sequence with the surrounding address numbers on the same Filing Road. The DRC will provide a letter to the Owner indicating DRC approval for the address change. The Owner is responsible for working with the Government Information Service (GIS) Office in Gunnison to get approval for an address change. The Owner should provide a copy of the GIS approval letter to the DRC. The GIS office will send notification to the Tax Assessor's Office.

10. DRIVEWAY CULVERTS: Driveway culverts shall be a minimum of ten (10) inches in diameter, whenever possible (or an equivalent cross-sectional area) and shall be constructed from corrugated steel sixteen (16) gauge or thicker. Properly designed, engineered and installed products of equivalent strength, durability and weight bearing capability will also be considered and evaluated for approval. Culverts shall be bedded and backfilled with excavated material and/or road base

gravel. Back fill will usually extend below the culvert to solid, undisturbed native soil, extend the width of the culvert and extend above the pipe to meet grade. The DRC may refer property owners/contractors to AIA's road crew for installation advice and answers to questions, if needed.

11. INSTALLATION OF UTILITIES: All utility lines must be placed underground. Depending on the location of the Site, there may be additional charges from some of the utility companies to initiate service. The utility companies currently serving Arrowhead are:
    (A) Arrowhead Ranch Water Company
    (B) Gunnison County Electric Association
    (C) Nucla-Naturita Telephone Company
    (D) Propane is provided by several vendors

12. CONNECTING UTILITIES: Owners are responsible for connecting to utility services in accordance with the provider's requirements. It is the Owner's responsibility to make sure utilities are placed where they are designated by the provider and approved by the DRC.

13. UTILITIES STANDARDS: During construction, temporary electrical stanchions (pedestals) may be used, but upon completion of construction, electrical lines must be buried underground and said stanchions removed. All road cuts on Filing Roads and/or Common Areas made for installing utilities shall be restored to original or better condition. If the ground settles, the Owner or contractor will need to add additional fill so the ground is level. AIA's road crew can provide installation advice and answer questions, as needed.

14. ON-SITE WASTEWATER TREATMENT SYSTEMS (OWTS):
    (A) All elements and construction of an On-site Wastewater Treatment System (OWTS), formerly known as a septic system, is strictly a decision made by the Owner's system engineer to match Gunnison County's requirements and regulations. The DRC does not regulate the location, installation or maintenance of an OWTS.
    (B) In addition, an OWTS is a placement decision made prior to construction and must be determined BEFORE the residence location on the Site. The placement of an OWTS takes priority over where an Owner may place any structure on a Site. When developing properties for camping or building Owners should keep this in mind for possible future residence building plans. If it's later determined the best location for the OWTS is where a garage or a shed was built, for example, they may have to be removed at some time in the future if a residence is planned.
    (C) Owners should contact their system engineer or Gunnison County at (970)-641-0360 with any questions.
    (D) OWTS serving each site shall be installed after the Owner has obtained a permit issued by Gunnison County. 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 Public Health and Environment.
    (E) Each Site must utilize its own OWTS built solely for that Site, which must be totally located within the property boundaries observing a 10 foot setback from the Site perimeter. It is not permissible to attach to an OWTS installed on any other site.

15. EXTERIOR FINISHES AND ROOFS:

(A) The exterior of all buildings must be logs, natural wood siding, or a cement fireproof material that has all appearances of a natural wood product as approved by the DRC. Stone, rusted metal, and other materials as approved by the DRC may be used but shall be subject to DRC approval based upon the design standards and in keeping with the DRC's purpose.

(B) Roof surfaces will be constructed of steel or other materials pre-approved by the DRC. Roof considerations are dictated by fire resistance as well as snow shedding capability.

(C) Both roofs and exterior walls will be of a color that harmonizes with other buildings on site and the local environment and receives approval by the DRC.

(D) For any shed or garage, the siding and roofing shall match the siding and roofing on a Single Family Residence, if built, unless an alternative siding or roof is approved by the DRC.

16. SINGLE FAMILY RESIDENCE SPECIFICATIONS:

(A) Each Single Family Residence shall have a minimum fully enclosed ground floor area (footprint) devoted to living purposes, exclusive of porches, decks, and garages, of eight hundred (800) square feet, outside measurement. "Ground floor area" means the area on the lowest level of the residence on which at least fifty percent of the linear measurement around the perimeter is not more than two feet below grade level. "Grade level" means the natural plane level of the ground prior to any work being done on the site. If no level of the residence meets the above definition for ground floor area, then "ground floor area" means the area on the level of the residence that has the main entrance to the residence.

(B) A Single Family Residence may have an attached garage and also a detached garage no larger than one thousand (1,000) square feet footprint, **inclusive** of porches, decks and other overhangs. Roof overhangs of less than 24 inches are not considered overhangs and not counted towards square footage requirements.

(C) 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 thirty-two (32) feet.

(D) Any Improvement containing a Kitchen and/or a Bathroom is considered a Single Family Residence. A "Kitchen" exists if any of the following exist in the same Improvement: (i) a stove, or (ii) an oven. A "Bathroom" exists if the Improvement includes any form of toilet, whether connected to the OWTS, composting or otherwise. No detached garage or shed may contain a Kitchen or a Bathroom. No shed or detached garage may be connected to an OWTS.

17. GARAGE SPECIFICATIONS – ATTACHED: An attached garage cannot be larger than one thousand (1000) square foot footprint, **inclusive** of porches, decks and other overhangs. Garage plans for attached garages will be reviewed at the same time as the Single Family Residence plan is reviewed. Roof overhangs of less than 24 inches are not considered overhangs and not counted towards square footage requirements.

18. GARAGE SPECIFICATIONS – DETACHED:

(A) A detached garage shall not be constructed before a Single Family Residence.

(B) Owners should check with Gunnison County to ensure that they have current information regarding permit requirements for a detached garage as Gunnison County may or may not require additional permits depending on the size of the garage and number of existing structures. A detached garage footprint shall not be larger than one thousand (1,000) sq. ft.,

inclusive of patios, porches, other overhangs. Roof overhangs of less than 24 inches are not considered overhangs and not counted towards square footage requirements.

(C) The maximum height of a detached garage shall not exceed thirty two (32) feet measured vertically from the average finished grade line to the highest point on the roof.

(D) Detached garages may have only electricity, wood burning stoves and/or propane which must be properly permitted and inspected by the Gunnison County Building Office or the State Electrical Inspector.

(E) Plumbing for water installation is prohibited in a detached garage and an OWTS is not permitted to be connected to a detached garage.

(F) No detached garage may be a Detached Secondary Residence. No detached garage may be used as a Detached Secondary Residence.

19. RV PAD AND DECK SPECIFICATIONS: RV Site Owners may improve their Site with an OWTS, driveway, RV pad and a deck.

(A) A Site Owner should contact a system engineer to match Gunnison County's requirements and regulations. The DRC does not regulate the location, installation or maintenance of an OWTS.

(B) A driveway layout needs to be done by the DRC before an RV is placed on the Site.

(C) An RV Site Owner is responsible for connecting to utility services in accordance with the provider's requirements. It is the Owner's responsibility to make sure utilities are placed where they are designated by the provider and approved by the DRC.

(D) Plans for an RV pad or deck are to be submitted to the DRC for review and approval so a Design Review Permit may be issued to the Site Owner.

(E) An RV deck must be constructed of wood or a composite material having the color of wood or a natural earth tone color.

(F) Railings are required for a deck over thirty (30) inches off the ground.

(G) If a deck is over thirty inches off the ground, a building permit will be required from the Gunnison County Building Department.

20. SHED SPECIFICATIONS: There are various shed designs which have been approved in Arrowhead. Arrowhead and the Gunnison County Building Office measures the square footage of a shed based on the footprint which is under roof. This would include a porch or side wings which are under roof. For instance, if a shed has a covered front porch measuring 4 x 4, the 16 sq. ft. will be included in the footprint of the shed. If the covered side wings are 7 feet wide and 14 feet long, the 98 sq. ft. will be included in the footprint.

(A) The minimum size of a shed is eighty (80) square feet footprint under roof.

(B) The maximum size of a shed is three hundred and fifty (350) square feet footprint, inclusive of porches, patios, other overhangs. Roof overhangs of less than 24 inches are not considered overhangs and not counted towards square footage requirements

(C) Owners should check with Gunnison County to ensure that they have current information regarding Gunnison County permit requirements as Gunnison County may or may not require additional permits depending upon the size of the shed and number of existing structures.

(D) The maximum height of a shed shall not exceed twenty (20) feet measured vertically from the average finished grade line to the highest point of the roof.

(E) Sheds may have only electricity, wood burning stoves and propane, which must be properly permitted and inspected by the Gunnison County Building Office or the State Electrical Inspector.

(F) Plumbing for water installation is prohibited and an OWTS may not be connected to a shed.

(G) A prefabricated shed may be approved for transport from an offsite location with PRIOR review of plans and approval by the DRC. Construction must be new and must meet the same DRC specifications for an on-site built shed, as stated above.

(H) No shed may be a Detached Secondary Residence. No shed may be used as a Detached Secondary Residence.

21. SOLAR PANELS AND OTHER ENERGY DEVICES: In recent years, Owners have inquired about alternate sources of energy for their homes. As more homes are built for full-time use, the DRC believes there will be more requests for solar panels. Colorado Revised Statues Section 38-30-168 allows Owners to install renewable energy devices such as solar panels and wind-electric generators (collectively, "Energy Devices") but provides that homeowner associations ("HOAs") are permitted to adopt aesthetic provisions that impose reasonable restrictions on the dimensions, placement and/or external appearance of Energy Devices. Additionally, HOAs are permitted to adopt bona fide safety requirements. Accordingly, AIA has adopted the following Design Guidelines for Energy Devices:

(A) Owners are entirely and solely responsible for knowing what permits are required from Gunnison County and for obtaining such permits before installation begins. Copies of all permits are to be given to the DRC and will be maintained in the Owner's file.

(B) No Energy Device may be installed or maintained on any Site without first obtaining DRC review and approval. Except as set forth below, the DRC will approve any Energy Device that is consistent with the overall aesthetic of a Site and is no more than minimally visible from other sites and subdivision roads and driveways. The following information is the minimum information required to complete the DRC review for the maintenance and installation of any Energy Device:

(I) Detailed plans for installation and placement of any Energy Device, whether placed on a roof or a ground installation and a completed Plot Plan outlining the location of the proposed Energy Device with all buildings, driveways and property boundaries identified;

(II) A high resolution, color illustration of the proposed system, which depicts: (a) the materials to be used, (b) the method of attachment to any roof structure or a ground structure, and (c) all exterior system components; and

(III) The DRC recognizes that each Site is different in location, topography and vegetation. Additional requirements or documentation may be requested by the DRC to complete the review.

(C) General Requirements.

(I) No Energy Device may be placed on Common Areas.

(II) Energy Devices, inclusive of all panels, brackets and hardware, if ground mounted may not be located within the 10 foot setback of the property and may not be higher than the existing or proposed roof line. There may be restrictions on the height of the installation depending on the location and proximity to surrounding properties.

(III) Energy Devices, including solar panels, must be of the non-reflective type to minimize the reflection of the sun unless a variance is granted by the DRC.

(IV) The back structure of a ground mounted Energy Device must have screening so that the sub-structure of the Energy Device is not left exposed and does not take away from the aesthetics of the surrounding and neighboring properties. Since there are a variety of screening options; all screening must be approved by the DRC.

(V) Any tree removal must be pre-approved by the DRC and will be noted on the DRC Permit.

(VI) Tree removal for increased sunlight, installation of a ground mounted Energy Device, or improved air flow is permitted if approved by the DRC as part of an approved plan but shall be limited to the Owner's Site only.

(VII) Generally, any wind-electric generators are prohibited if they can be heard from any adjoining Site. Wind-electric generators will be permitted if they do not unreasonably interfere with the use and enjoyment by other Owners. In making such determinations, input by the Owner requesting approval of the wind-electric generator and all potentially impacted Owners will be considered.

22. FENCES AND SCREENING – DOG RUNS, DECORATIVE, PLAY YARDS: In order to preserve the natural, rural character of the area, no perimeter or boundary fences are permitted around Sites. The following fencing may be permitted:

(A) A dog run under 100 square feet: A portable dog run made of the standard galvanized chain link fencing is acceptable for placement on a Site without the approval of the DRC as long as it is not attached to a structure. Owners are asked to be considerate of their neighbors and the street-view from the Filing Road when selecting the location for the dog run.

(B) A dog run in excess of 100 square feet:

(I) Requires approval from the DRC for the type of structure, the type of fencing and the location. There may be restrictions on the size of the dog run greater than 100 square feet, which would require a variance from the DRC, which approval may not always be granted.

(II) Must blend in with the native rustic setting and surroundings of Arrowhead. Galvanized chain link fences are not permitted unless they are powder-coated or vinyl coated with a color matching the natural terrain of the area.

(C) Additional types of fencing may be approved, such as the following:

(I) Limited interior decorative fences and railings are permissible as long as they meet Design Guidelines for exterior materials and finishes.

(II) Rock walls lining driveways are acceptable as long as they are on a Site and not closer than ten (10) feet from the edge of the Filing Road and not more than one (1) foot high.

(III) Play yards are permissible with the same Design Guidelines as dog runs.

23. NEW CONSTRUCTION MATERIALS: New construction materials may be created or requested as such new materials are invented and become more commonplace. The DRC should determine if new construction materials are appropriate for use in Arrowhead and, if the DRC believes such materials are appropriate, obtain a sample of the materials and submit them to the Board, who may authorize the use of such materials as it deems appropriate based upon the provisions of the Covenants.

24. COMPLETION OF CONSTRUCTION: A building must be dried-in within three (3) years of approval. The term "dried-in" means that all exterior surfaces are completely finished (i.e., foundation,

framing, windows, doors, siding, stained or painted, roofing, decks, steps, etc.). When unforeseen circumstances prevent timely completion, the Owner may request that a reasonable extension period to be granted by the DRC on a case by case basis and may be limited in duration.

25. REMOVAL OF CONSTRUCTION EQUIPMENT AND MATERIALS: An Owner is not to store construction materials and equipment on a Site unless active construction is taking place and the Design Review Committee has been notified of the construction. If construction takes longer than one season, Owners shall store all construction materials and equipment out of view of the Filing Road or neighboring Sites or store the materials in an enclosed structure.

26. CONSTRUCTION VEHICLES: An Owner shall not permit any construction vehicle including but not limited to front end loaders, bulldozers, dump trucks, back-hoes, compressors, trailers, and related equipment to be parked on the Owner's Site at the end of each construction season. Construction equipment is not permitted to be parked or stored on Filing Roads or in Common Areas except while work is in progress and only in a manner approved by Arrowhead Patrol. This shall not preclude parking of AIA or utility company equipment in an area approved by AIA.

27. VARIANCES: The Board shall have the authority to grant a variance from the requirements of the Design Guidelines as long as such variance is in compliance with the purpose of the Covenants. The Board may delegate this responsibility to the DRC. AIA must keep a permanent record of all variances granted and the reasons therefore. Any variance granted must state in the variance the basis for compliance with the purpose of the Covenants. Variances shall be documented clearly on the Variance Report with all rationale and back-up materials to support the decision and retained in the file for the applicable Site.