

**THE
BYLAWS
OF
THE POPLAR HOMEOWNERS ASSOCIATION**

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BYLAWS
OF
THE POPLAR HOMEOWNERS ASSOCIATION

ARTICLE ONE: OBJECT

1.1 Association. THE POPLAR HOMEOWNERS ASSOCIATION (“Association”) is a nonprofit corporation, organized under the Colorado Nonprofit Corporation Act to operate in accordance with the Colorado Common Interest Ownership Act. These Bylaws are adopted for the administration, regulation and management of the affairs of the Association.

1.2 Purposes. The purposes for which the Association is formed are: (a) to promote the health, safety, welfare, and be for the common benefit of the residents of The Planned Community and members of the Association; (b) to be and constitute the Association to which reference is made in THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR POPLAR HOMES COMMUNITY (“Declaration”) recorded against The Planned Community in the Boulder County, Colorado records; (c) to govern, in accordance with the Colorado Common Interest Ownership Act and the Colorado Nonprofit Corporation Act, the residential community known as POPLAR HOMES, located in Boulder County, Colorado; and (d) to provide for the administration, maintenance, repair and reconstruction of the Common Areas of the said Planned Community.

1.3 Terms Defined in Declaration. Terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition in these Bylaws as such terms have in the Declaration.

ARTICLE TWO: MEMBERSHIP AND VOTING RIGHTS

2.1 Membership. Members of the Association shall be every Lessee of record of a Lot subject to the Declaration. Membership shall be appurtenant to and may not be separated from the leasing of a Lot. A leasehold of such Lot shall be the sole qualification for such membership. Where more than one person holds a leasehold in a Lot, all such persons shall be Members.

2.2 Voting Rights. Members shall be entitled to one vote for each Lot leased. The vote for such Lot, which is leased by more than one Member, may be exercised by any one of them, unless an objection or protest by any other holder of an interest of the Lot is made prior to the completion of the vote, in which case the vote for such Lot shall be exercised, as the persons holding such interest shall determine between themselves. Should the joint Members be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any Lot.

In the absence of express notice to the Board of Directors of the designation of a specific person to cast a vote, the vote of a corporation may be cast by any officer of that corporation, the vote of a partnership may be cast by any general partner of that partnership, the vote of a limited liability company may be cast by any manager of that limited liability company, and the vote of a trust may be cast by any trustee of that trust.

ARTICLE THREE: MEETINGS OF THE ASSOCIATION

3.1 Place of Meetings. Meetings of the Association shall be held at such place within Boulder County, Colorado as the Board of Directors may determine.

3.2 Annual Meeting. The first Annual Meeting of the Association shall be held within one year from the date of the adoption of these Bylaws. Thereafter, the Annual Meetings of the Association shall be held on a date and at a time selected by the Board in each succeeding year. The purpose of the Annual Meetings is for the election of members of the Board of Directors to replace Directors whose terms are expiring and for the transaction of such other business of the Association as may properly come before the meeting.

3.3 Budget Meetings. Within thirty days after adoption of the Budget for the Association, the Board of Directors shall mail, by ordinary first class mail, or otherwise deliver, a summary of the Budget to all the Members and shall set a date for a meeting of the Members to consider ratification of the Budget not less than fourteen nor more than sixty days after mailing or other delivery of the summary.

Unless at that meeting Members to which at least sixty-seven percent of the votes in the Association are allocated reject the Budget, the Budget is ratified, whether or not a quorum is present. In the event that the Budget is rejected, the Budget last ratified by the Members must be continued until such time as the Members ratify a subsequent Budget adopted by the Board.

3.4 Special Meetings. Special Meetings of the Association may be called at any time by the President, or by any two members of the Board of Directors, or upon written request of Members to which at least thirty-three percent of the votes in the Association are allocated.

3.5 Notice of Meetings. Written notice of each meeting of the Association shall be given at the direction of the President by hand delivery or mailing a copy of such notice, postage prepaid, or a combination thereof, at least fifteen days before such meeting to each member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a Special Meeting, the purpose of the meeting.

3.6 Quorum. The presence at an Association's meeting of Members or of Members'

proxies to which at least thirty-three percent of the votes in the Association are allocated shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws or the Act.

Except for Budget Meetings where a quorum is not required, an affirmative vote of a majority of the votes present at which a quorum is in attendance in person or by proxies shall be necessary to transact business and to adopt decisions binding on all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by laws.

If such quorum shall not be present at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

3.7 Proxies. At all meetings of the Association, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association at or before the time of such meeting. Facsimile copies of proxies will be accepted. Proxies may be given only to other Members. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot. No proxy shall extend beyond a period of sixty days and proxies need not be notarized.

3.8 Cumulative Voting Not Permitted. Cumulative voting in the election of Directors is not permitted.

3.9 Waiver of Meeting and Consent to Action. Whenever the vote of Members at an Association meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of the Members may be dispensed with and the action in question may be approved if all the Members eligible to vote concerning such matter consent in writing to dispense with the meeting and consent in writing to the action in question.

ARTICLE FOUR: THE BOARD OF DIRECTORS

4.1 Number. The affairs of the Association shall be governed by a Board of Directors composed of three persons, as well as a fourth ex officio Director who shall be appointed by the Board of Commissioners of the Housing Authority of the City of Boulder, Colorado ("BHA").

4.2 The Board of Directors During the Period of Declarant Control. During the Period of Declarant Control, the Declarant may appoint and remove the officers and members of the Board of Directors subject to the following:

- (a) Not later than sixty days after leasing fifty percent of the Lots within the

Planned Community, not less than thirty-three and one third percent of the members of the Board of Directors must be elected by Members other than the Declarant.

(b) Not later than the termination of the Period of Declarant Control, the Members shall elect a Board of Directors of three members, a majority of whom shall be Members other than Declarant. The Board of Directors shall elect the officers of the Association. The Members' Board of Directors shall take office upon termination of the Period of Declarant Control upon election.

The Period of Declarant Control shall commence upon filing of the Articles of Incorporation of the Association and shall terminate in accordance with Paragraph 4.7 of the Declaration.

The names and addresses of the persons who are appointed by the Declarant to initially act in the capacity of the Board of Directors until their successors are duly elected and qualified are stated in the Articles of Incorporation.

4.3 The Board of Directors After the Period of Declarant Control. At the first Annual Meeting of the Association after the termination of the Period of Declarant Control and at each Annual Meeting of the Association thereafter, Directors shall be elected, except for the fourth Director appointed by the BHA.

The initial terms of the elected Directors shall be fixed at the time of their election as they among themselves shall determine. The term of one Director shall be fixed at one year; the term of one Director shall be fixed at two years; and the term of one Director shall be fixed at three years. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three years. Directors shall continue in office until their successors have been elected, unless a Director resigns, is removed or becomes disqualified to be a Director.

The number of Directors and their terms may be changed by amendment to these Bylaws.

4.4 Qualifications. An elected Director must be (a) a Lessee of a Lot within The Planned Community, or (b) an Officer of a corporate Lessee of a Lot, or (c) a Partner in a partnership leasing a Lot, or (d) a Trustee of a Trust leasing a Lot, or (e) a Manager of a limited liability company leasing a Lot. If a Director ceases to be a Lessee of a Lot, or a Corporate Officer, Partner, Trustee or Manager of an entity which leases a Lot, such Director's term as Director shall immediately terminate, and a new Director shall be appointed as promptly as possible to take such Director's place. A Director may be reelected, and there shall be no limit as to the number of terms a Director may serve.

Directors appointed by the Declarant need not be Lessees.

4.5 Director Appointed by the BHA. The Director appointed by the BHA shall be notified of all meetings and other deliberations of the Board in the same manner of the other Directors, and may speak at and participate in all meetings and other deliberations in the same manner as the other Directors. The Director appointed by the BHA, however, shall not have a vote.

4.6 Resignation/Removal of Directors. Any Director may resign at any time by giving written notice to the Secretary of the Association, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

At any meeting of the Association at which a quorum is present, the Members may, by a two-thirds vote of persons present or by proxy, remove any Director other than a Director appointed by the Declarant with or without cause.

4.7 Vacancies in Directors. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

Vacancies of Directors whom the Declarant appointed shall be appointed by the Declarant.

ARTICLE FIVE: MEETINGS OF THE BOARD OF DIRECTORS

5.1 Regular Meetings. Regular meetings of the Board of Directors shall be held as the needs of the association dictate, but at least quarterly upon seven days' notice, at such place and hour as may be fixed from time to time by resolution of the Board.

5.2 Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three days' notice to each Director.

5.3 Purpose of Meetings. Neither the business to be transacted at, nor the purpose of, any Regular or Special Meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

5.4 Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors.

5.5 Proxies. A Director shall not be entitled to vote by proxy at any meeting of the Directors.

5.6 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required and any business may be transacted as such meeting.

5.7 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

5.8 Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Board of Directors by using an electronic or telephonic communication method whereby the Director may be heard by the other members of the Board and may hear the deliberations of the members on any matter properly brought before the Directors. The Director's vote shall be counted and presence noted as if the Director were present in person on that particular matter.

ARTICLE SIX: POWERS AND DUTIES

6.1 Powers and Duties. The Board of Directors shall have the powers and duties necessary, desirable or appropriate for the administration of the affairs of the Association and for the operation and maintenance of The Planned Community. The Board of Directors may do all such acts and things which are not specifically required to be done by the Members by the Colorado Nonprofit Corporation Act or the Colorado Common Interest Ownership Act or otherwise by law, the Declaration, the Articles of Incorporation of the Association, or these Bylaws.

6.2 Veto by BHA. Any decision or action of the Board may be vetoed by the BHA in writing within fourteen days after the Director appointed by the BHA has actual notice of the decision of action. A copy of the BHA's veto shall be sent forthwith to the Secretary of the Association.

6.3 Managing Agent. The Board may employ for the Association a Managing Agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize; provided, however, that the Board in delegating such duties shall not be relieved of its responsibility under the Declaration.

Should the Board delegate to any Managing Agent or other person the powers relating to collection, deposit, transfer or disbursement of Association funds:

(a) the other person or Managing Agent shall maintain fidelity insurance coverage or a bond in an amount not less than Fifty Thousand Dollars or such higher amounts as the Board may require;

(b) the other person or Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(c) an annual accounting for Association funds and a financial statement shall be prepared and presented to the Association by the managing agent, a public accountant, or a certified public account.

6.4 Compensation of the Members of the Board of Directors. Except as provided in this Paragraph, members of the Board of Directors shall not be paid any compensation for their services performed as members of the Board of Directors unless a resolution authorizing such compensation shall have been adopted by the Board.

Each member of the Board of Directors may receive reimbursement for reasonable transportation and meals, or for other actual expenses incurred in connection with the performance of his or her duties as a member of the Board of Directors.

ARTICLE SEVEN: OFFICERS AND THEIR DUTIES

7.1 Enumeration of Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. The President and Secretary must be members of the Board of Directors.

7.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each Annual Meeting of the Association.

7.3 Term. The officers shall be elected annually by the Board of Directors and each shall hold office for one year unless such officer shall sooner die, resign or shall be removed or otherwise disqualified to serve.

7.4 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

7.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the president. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

7.6 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

7.7 Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

7.8 Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Association and the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; and shall exercise and discharge such other duties as may be required of the President by the Board of Directors.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice President by the Board of Directors.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Association; serve notice of meetings of the Board of Directors and of the Association; keep appropriate current records showing the Members together with their addresses; and shall perform such other duties as required by the Board of Directors.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; sign all checks of the Association unless the Board of Directors specifically directs otherwise; keep proper books of account; prepare an annual budget and a statement of income and expenditures to be presented to the Members at the Annual Meeting of the Association; and cause an audit of the Association's books to be made by an accountant if so directed by the Board of Directors or upon the written request of Members to which at least thirty-three percent of the votes in the Association are allocated.

7.9 Execution of Instruments. All agreements, contracts, deeds, leases, checks, notes and other instruments of the Association may be executed by any person or persons as may be designated by resolution of the Board of Directors.

7.10 Statement of Unpaid Assessments. Any officer having access to the books and records of the Association or managing agent may prepare, certify and execute a Statement of Unpaid Assessments, in accordance with § 38-33.3-316 of the Act.

The Association may charge a reasonable fee for preparing the Statement of Unpaid Assessments. Any unpaid fees may be assessed as a Common Expense against the Lot for which the Statement is furnished.

ARTICLE EIGHT: AMENDMENTS

8.1 Amendments. These Bylaws may be amended at any annual meeting or at any special meeting of the Association by a vote of a majority of a quorum of members present in person or by proxy; provided that these Bylaws shall at all times comply with the provisions of §§ 38-33.3-101, et seq., C.R.S.

Any material amendment to these Bylaws must have the approval of at least fifty-one percent of the Eligible Mortgagees as defined in the Declaration.

8.2 Compliance with the Act. These Bylaws are intended to comply with the requirements of the Act. If any of the Bylaws conflict with the provision of the Act, the provisions of the Act will govern the Association.

8.3 Veto by BHA. Any amendment to these Bylaws may be vetoed by the BHA in writing within fourteen days after the BHA receives notice of the amendment. A copy of the BHA's veto shall be sent forthwith to the Secretary of the Association.

ARTICLE NINE: NOTICE AND HEARING PROCEDURE

The Board shall not impose a Fine, Individual Assessment, suspend voting rights, or infringe upon any other rights of a Member or other occupant for violations of Rules and Regulations of the Association or of the Declaration unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from the alleged violation shall be served upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation;
- (iii) a time period, not less than ten days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after Notice and Hearing, if the violation is not continuing.

(b) Notice. At any time within twelve months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a Hearing to be held by the Board. The notice shall contain:

- (i) the nature of the alleged violation;
- (ii) the time and place of the Hearing, which time shall not be less than ten days from the giving of the Notice;
- (iii) an invitation to attend the Hearing and produce any statement, evidence, and witness on his or her behalf; and
- (iv) the proposed sanction to be imposed.

(c) Hearing. The Hearing shall be held pursuant to this Notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of Notice and the invitation to be heard shall be placed in the Minutes of the Meeting. Such

proof shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery, is entered by the Officer, Director, or agent who delivered such Notice. The Notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The Minutes of the Meeting shall contain a written statement of the results of the Hearing and the sanction, if any, imposed. The decision of the Board shall be final.

However, in no event shall the Board suspend a Member's right to use The Planned Community, or his voting rights for infraction of the Association's Rules and/or Regulations for a period in excess of sixty days.

These procedures shall not be necessary in order to impose any sanction or penalty for nonpayment of delinquent assessments.

ARTICLE TEN: INSPECTION OF RECORDS

The Association shall make available to Members and their First Mortgagees current copies of the Declaration, Articles of Incorporation, Bylaws and other Rules and Regulations governing The Planned Community and for any proper purpose the books, records and financial statements of the Association. "Available" means available for inspection in accordance with the following procedure:

(a) A written Request to Inspect must be submitted to the Association at least ten business days prior to the planned inspection. The Request must specify which records are to be inspected and the SPECIFIC PURPOSE of the inspection.

(b) All records shall be inspected at the office of the Association between the hours of 10:00 a.m. and 3:00 p.m., Monday through Friday.

(c) At the discretion of the Board, certain records may only be inspected in the presence of the Board member or his or her agent. No records may be removed from the Association's office without the express written consent of the Board of Directors.

(d) All costs of inspection and photocopies will be paid in advance by the person requesting them.

(e) Consistent with individual members' right to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board of Directors:

- (i) confidential personnel records;
- (ii) confidential litigation files;

- (iii) inter-office memoranda, preliminary data, working papers and drafts and general information or investigations which have not been formally approved by the Board of Directors;
- (iv) Minutes of confidential Executive Sessions;
- (v) Members' telephone numbers.

(f) In determining whether records may be inspected, the Board shall consider, among other things:

- (i) whether the request is made, in good faith, to ascertain the condition of the Association; or for a purpose other than that stated in the Request to Inspect;
- (ii) whether an inspector has improperly used information secured through a previous inspection of the records;
- (iii) whether disclosure is for an illegal or improper purpose, or would violate a constitutional or statutory provision or public policy;
- (iv) whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information; and
- (v) whether disclosure would unreasonably interfere with or improperly disrupt the operation of the Association.

(g) The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorney's fees, for abuse of these rights, including, but not limited to, use of any records for a purpose other than what is stated in the Request to Inspect.

ARTICLE ELEVEN: MISCELLANEOUS

11.1 Committees. The Board of Directors shall appoint committees as deemed appropriate in carrying out its purposes.

11.2 Financial Statements. Any mortgagee shall be entitled, upon written request, to an audited Financial Statement for the immediately preceding fiscal year, at such mortgagee's expense. Any Financial Statements so requested shall be furnished within a reasonable time following such request.

11.3 Corporate Seal. The Board of Directors shall adopt a seal which shall have inscribed thereon the name of the Association and the words "Seal" and "Colorado".

11.4 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, unless changed by the Board of Directors. The first year shall begin on the date of incorporation.

11.5 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

11.6 Interpretation. The provision of these Bylaws shall be liberally construed to effect the purpose of ensuring that The Planned Community shall at all time be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization of each Member.

IN WITNESS WHEREOF, the undersigned have hereto set their hands this ____ day of February, 1996.

THE POPLAR HOMEOWNERS ASSOCIATION

, Director

, Director

, Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of THE POPLAR HOMEOWNERS ASSOCIATION, a Colorado corporation.

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a Meeting of the Board of Directors thereof, held on the ____ day of February, 1996.

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52-1

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOREST GLEN RECREATIONAL ASSOCIATION

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CLERK AND RECORDS
O.A.R.
SEP 23 11 16 AM '75
STATE OF CALIFORNIA
COUNTY OF ALameda
RECORDS & CLERK
1111 MARKET STREET
SAN FRANCISCO, CA 94102

104173

ELI 940

32-2

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOREST CLEN RECREATIONAL ASSOCIATION

THIS DECLARATION, made this 23rd day of September,
1976, A.D., by REX MOTORS, INC., d/b/a REX LAND AND DEVELOP-
MENT CORP., a Colorado corporation and WONDERLAND HILL DE-
VELOPMENT COMPANY, a Colorado company both hereinafter called
"Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of the real prop-
erty described in Article II of this declaration and desires
to create thereon a residential community with permanent
parks, playgrounds, open spaces, and other common facilities
for the benefit of the said community; and

WHEREAS, Declarant desires to provide for the pre-
servation of the values and amenities in said community and
for the maintenance of said parks, playgrounds, open spaces
and other common facilities; and, to this end, desires to
subject the real property described in Article II together
with such additions as may hereafter be made thereto (as
provided in Article II) to the covenants, restrictions, ease-
ments, charges and liens, hereafter set forth, each and all
of which is and are for the benefit of said property and
each owner thereof; and

WHEREAS, Declarant has deemed it desirable, for the
efficient preservation of the values and amenities in said
community, to create an agency to which should be delegated
and assigned the powers of maintaining and administering and
enforcing the covenants and restrictions and collecting
and disbursing the assessments and charges hereinafter
created; and

WHEREAS, Declarant has incorporated under the laws of the State of Colorado, as a non-profit corporation, THE FOREST GLEN RECREATIONAL ASSOCIATION, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Declarant declares that the real property described in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Forest Glen Recreational Association.

(b) "The Property" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

(c) "Common Properties" shall mean that portion of The Property owned by the Association for the common use and enjoyment of the Owners. The common area to be owned by the Association is more particularly described as follows:

Outlot B and Outlot C, FOREST GLEN, SECOND FILING, a subdivision of the City of Boulder, according to the recorded plat thereof, County of Boulder, State of Colorado;

(d) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Property with the exception of Common Properties as heretofore defined.

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(e) "Living Unit" shall mean and refer to any portion of a building situated upon The Property designed and intended for use and occupancy as a residence by a single family.

(f) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units under one roof except when each such living unit is situated upon its own individual Lot.

(g) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated on The Property but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(h) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article III, Section 1, hereof.

(i) "Assessments" shall mean and refer to all monies due the Association from the members as duly assessed against the membership by the Board of Directors of the Association in accordance with this Declaration, the Association's Articles and Bylaws. Assessments shall be used to meet the expenses of the Association which include but are not limited to the following: the expenses of repair and maintenance of the Common Properties; to include the mowing of grass; caring for grounds and gardens; sprinkler system; tennis courts; providing a reserve for repair, maintenance, taxes and other charges including fire and other hazard insurance premiums; to pay for a liability

insurance policy and a public liability policy in an amount as determined by the Board of Directors. Said common expenses shall be paid in amounts and at times to be determined reasonable and necessary by the Association for the best good and convenience of all the members as more fully defined in this Declaration.

(j) "First Mortgagee" shall mean a person or entity who is the beneficiary of a mortgage or deed of trust reflecting a first lien against a Lot or Living Unit within The Property.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Additions Thereto

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the City and County of Boulder, and is more particularly described as follows:

FOREST GLEN, FIRST FILING and FOREST GLEN, SECOND FILING, both subdivisions of the City of Boulder, according to the recorded plat thereof, County of Boulder, State of Colorado;

all of which real property shall hereinafter be referred to as "Existing Property."

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

(a) Annexation of Additional Properties.

Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation the owner of any property may add such property to the scheme of this Decla-

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ration and subject it to the jurisdiction of the Association.

(b) Mergers. Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided. Any merger or consolidation must have the prior written approval of not less than seventy-five (75%) per cent of the First Mortgagees.

Section 3. PHLMC Restriction. Unless at least seventy-five (75%) per cent of the First Mortgagees of the Lots and Living Units within The Property have given their prior written approval, the Association shall not be entitled to abandon, partition, subdivide, encumber, sell or transfer the Common Properties or improvements thereon. The granting of easements for public utilities or for other public purposes consistent with the intended use of such property shall not be deemed a transfer within the meaning of this paragraph.

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ARTICLE III

MEMBERSHIP AND VOTING RIGHTS
IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee, interest in any Lot or Living Unit which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

§2.01. Class A. Class A members shall be all those owners as defined in Section 1 with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot or Living Unit all such persons shall be members, and the vote for such Lot or Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot or Living Unit.

§2.02. Class B. Class B members shall be the Declarant. The Class B member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Section 1 and for every Living Unit in any Multifamily structure owned by it until such Unit is first sold, provided that the Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

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(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On January 1, 1980.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot or Living Unit in which it holds the interests required for membership under Section 1. For purposes of determining the votes allowed under this Section, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Member's Easements of Enjoyment. Subject to the provisions of Section 3, every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit.

Any member may delegate his rights of enjoyment in the Common Properties to the members of his family who reside upon The Property or to any of his tenants who reside thereon.

Section 2. Title to Common Properties. The Declarant may retain legal title to the Common Properties until such time as it has completed improvements thereon and until such time as, in the opinion of the Declarant, the Association is able to maintain the same but, notwithstanding any provision herein, the Declarant hereby covenants, for itself, its successors and assigns that it shall convey the Common Properties to the Association, free and clear of all liens and encumbrances, not later than June 1, 1977.

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Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Declarant and of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage the lenders' rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the members and, if necessary to open the enjoyment of such properties to a wider public use until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the Members shall be fully restored; and

(b) the right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosures; and

(c) the right of the Association, as provided in its Articles and Bylaws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and

(e) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be

agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the total members and seventy-five (75%) per cent of the First Mortgagees agreeing to such dedication or transfer has been recorded.

Section 4. Insurance Proceeds and/or Condemnation Awards.

No Owner or any other party shall have priority over any rights of First Mortgagees pursuant to its mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of a part or all of the Common Properties.

Section 5. Charges Against the Common Properties.

First Mortgagees, jointly or singularly may pay real estate taxes or other charges which are in default and which may or have become a charge against any Common Properties and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on a lapse of a policy for such Common Properties. A First Mortgagee making such payments shall be owed the immediate reimbursement therefor from the Association. Entitlement to such reimbursement is to be reflected in an agreement in favor of all First Mortgagees of Lots within The Property duly executed by the Association.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot and Living Unit owned by it within The Property hereby covenants and each Owner of any Lot or Living Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association (1) annual assessments; (2) reserve fund assessments and (3) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter pro-

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vided. The reserve fund assessment shall be included as a part of the annual assessment. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Lot or Living Unit and shall be a continuing lien upon such property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such Lot or Living Unit at the time when the assessment fell due. For purposes of assessment when a Living Unit is assessed, the Lot or Lots upon which such Living Units are situated shall not be assessed.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Property and in particular for the improvements and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and for the improvements situated upon The Property, including, but not limited to, the payment of taxes and insurance thereon and repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. Basis and Maximum of Annual Assessments. Until the year beginning January, 1978, the annual assessment shall not exceed Sixty and 00/100 (\$60.00) Dollars per Lot or Living Unit.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board of Directors effective January 1 of each year without a vote of the membership in conformance with the rise, if any of

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the "Consumer Price Index, United States City Average for Urban Wage Earners and Clerical Workers All Items" (as published by the Department of Labor, Washington, D.C.) for the preceding month of July.

From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula only by a vote of two-thirds (2/3) of all Members who are voting in person or by proxy, at a meeting duly called for this purpose. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum. A separate reserve fund for the replacement of the Common Properties shall be established and be funded by regular monthly payments rather than by special assessment.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice

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of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further that the limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 2 hereof.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members, or of proxies, entitled to cast sixty (60%) per cent of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence on the date fixed by the Declarant which shall be a date after conveyance of the Common Properties to the Association and the improvements thereon completed, but in any event not later than June 1, 1978 and annually thereafter.

The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable on the first day of March of said year.

The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 3 hereof as the remaining number of months in that year bear to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any property which is hereafter added to The Properties now subject to assessment at a time other than the beginning of any assessment period.

The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot or Living Unit for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of The Properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

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The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of Association. If the assessments are not paid on the date due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereof and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action. A First Mortgagee is entitled to written notification of any default by the Owner of his Lot or Living Unit upon which their mortgage exists when there is a default in the performance of such Owner's obligations and such default has continued for a period of thirty (30) days.

Section 10. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any Lot shall not affect the assessment lien. However, a First Mortgagee who comes into possession of a Lot pursuant to the remedies provided for in the Deed of Trust, foreclosure of the Deed of Trust, or by Deed (Assignment in lieu of foreclosure), shall take said Lot free of any claims for any unpaid assessments or charges upon said Lot which have accrued prior to the time such mortgagee comes into possession of the Lot. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property

subject to this Declaration shall be exempted from the assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1 hereof; (c) all properties exempted from taxation by the laws of the State of Colorado, upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

Section 12. FHLMC Restriction.

Unless at least seventy-five (75%) per cent of the First Mortgagees of the Lots within The Property have given their prior written approval, the Association shall not be entitled to change the method of determining the obligations, assessments due or other charges which may be levied against a Lot or Living Unit.

Section 13. Examination of Books and Records.

A First Mortgagee shall have the right to examine the books and records of the Association.

ARTICLE VI

INSURANCE

Unless at least seventy-five (75%) per cent of the First Mortgagees of the Lots within The Property have given their prior written approval, the Association shall not be entitled to:

(a) Fail to maintain fire and extended coverage on insurable Common Properties on a current replacement cost basis in an amount not less than one hundred (100%) per cent of the insurable value (based on current replacement cost.)

(b) Use hazard insurance proceeds for losses to any part of the Common Properties for other than repair, replacement or reconstruction of such improvements.

ARTICLE VII

PARTY WALLS

Section 1. Party Wall Easements Mutual reciprocal easements are hereby established, declared and granted for all party walls between improvements constructed or to be constructed on Lots, which reciprocal easements shall be for mutual support and shall be governed by this Declaration and more particularly the succeeding sections of this Article. Every deed, whether or not expressly so stating, shall be deemed to convey and to be subject to such reciprocal easements.

Section 2. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon The Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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Section 3. Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 4. Destruction by Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs with Land.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrator shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators and shall be binding on all parties and shall be final.

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ARTICLE VIII
ARCHITECTURAL CONTROL

Section 1. Architectural Control. Before anyone shall commence the construction, reconstruction, remodeling, addition to, or alteration of any building, wall, fence, or any structure whatsoever, on any Lot or Common Properties there shall be submitted to the Architectural Control Committee (herein referred to as the "Committee"), two complete sets of plans and specifications for said improvements, the erection or alteration of which is desired. No such structure or improvement of any kind shall be erected, altered, placed or maintained upon any Lot unless and until the final plans, elevations, and specifications therefor have received written approval as herein provided. Such plans shall include plot plans, location of structures and improvements, floor plans, fence plans, elevations, showing all aspects of dwelling and development of Lot as an architectural unit, together with the proposed color scheme and materials for fences, roofs, and exteriors. In order to avoid unnecessary hardships, it is mandatory that all Owners contemplating such construction, or alteration, as mentioned above, should submit preliminary drawings in duplicate of such work to the Committee in order to obtain tentative action thereon before causing the preparation of detailed or complete drawings, plans or specifications or incurring substantial expense. One set of said plans and specifications and details, with the approval or disapproval endorsed thereon shall be returned to the person submitting same within thirty (30) days and the other copy thereof shall be retained by the Committee.

The Committee shall have the right to disapprove any such plans or specifications or grading or landscaping

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ARTICLE VIII
ARCHITECTURAL CONTROL

Section 1. Architectural Control. Before anyone shall commence the construction, reconstruction, remodeling, addition to, or alteration of any building, wall, fence, or any structure whatsoever, on any Lot or Common Properties there shall be submitted to the Architectural Control Committee (herein referred to as the "Committee"), two complete sets of plans and specifications for said improvements, the erection or alteration of which is desired. No such structure or improvement of any kind shall be erected, altered, placed or maintained upon any Lot unless and until the final plans, elevations, and specifications therefor have received written approval as herein provided. Such plans shall include plot plans, location of structures and improvements, floor plans, fence plans, elevations, showing all aspects of dwelling and development of Lot as an architectural unit, together with the proposed color scheme and materials for fences, roofs, and exteriors. In order to avoid unnecessary hardships, it is mandatory that all Owners contemplating such construction, or alteration, as mentioned above, should submit preliminary drawings in duplicate of such work to the Committee in order to obtain tentative action thereon before causing the preparation of detailed or complete drawings, plans or specifications or incurring substantial expense. One set of said plans and specifications and details, with the approval or disapproval endorsed thereon shall be returned to the person submitting same within thirty (30) days and the other copy thereof shall be retained by the Committee.

The Committee shall have the right to disapprove any such plans or specifications or grading or landscaping

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plans which are not suitable or desirable in the Committee's option, for aesthetic or other reasons, and in passing upon such plans, specifications, grading or landscaping plans, the Committee shall have the right to take into consideration the suitability of the proposed building or other structure and of the materials of which it is to be built, the color scheme, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, the topography of the land and the effect of the building or other structure or landscaping as planned on the outlook from the adjacent or neighboring property, and if in accordance with all of the provisions of this Declaration. The Committee may disapprove if the plans and specifications submitted are incomplete, or in the event the Committee deems the plans, specifications or details or any part thereof to be contrary to the spirit or intent of these conditions and restrictions. The decisions of the Committee shall be final. Neither the undersigned nor any architect or agent of the undersigned nor any member of the Committee by virtue of his membership thereon in the discharge of his duties required thereby shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing, nor for any structural or other defects in any work done according to such plans or specifications. No building or improvements of any kind constructed or placed upon any of said Lots thereafter shall be moved without the prior written approval of the Committee. In the event the Committee fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced within one year from the commencement thereof, approval will not be required and there will

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be deemed to have been full compliance with the related covenants.

Section 2. Architectural Control Committee. The Architectural Control Committee shall consist of: (1) Alex Ebel, or his personal representative; (2) a duly appointed representative from the Wonderland Hill Development Company; and (3) a resident of Wonderland Hill First or Second Filing mutually agreeable to both Alex Ebel and the Wonderland Hill Development Company. This member shall have a term expiring August 1, 1978, at which time he will be replaced by a mutually agreeable resident of Forest Glen First or Second Filing. The members of the Committee shall, as long as the restrictions, covenants and conditions herein set forth are in force and effect, perform the duties imposed on it as herein set forth. At any time while the restrictions, covenants and conditions herein set forth remain in force and effect, the members may be a joint Declaration all resign as committee members. Such joint resignation shall be accomplished by recording a declaration of such joint resignation in the office of the County Clerk and Recorder of Boulder County, Colorado. From and after such joint resignation the number and members of the Committee shall be determined by the Board of Directors of the Association. Neither the members of the Committee, nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant.

Section 3. Landscaping. A landscaping plan shall be submitted to the Committee at the time the plans are submitted or within sixty (60) days prior to the date of occupancy. Said landscaping plans to be approved by the Committee before commencement of Landscaping. Approval or disapproval of such landscaping plans shall be

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in the same manner as set forth in Section 1 hereof.

Section 4. Fences. All fences shall be approved by the Committee and be designed and approved as an integral part of the design of the house or multifamily structure.

Section 5. Exterior Painting. No exterior painting of the dwellings located upon The Properties shall be allowed without prior written approval of the color scheme by the Committee.

Section 6. Waiver. The Committee may, at its discretion waive any provision of Articles VIII and IX of these Protective Covenants in the event there is a practical difficulty or unnecessary hardship; provided, however, at least seventy-five (75%) per cent of the First Mortgagees of the Lots or Living Units within The Property have given their prior written approval. The Association shall not be entitled to, by act or omission, change, waive or abandon any scheme of regulations or the enforcement thereof pertaining to architectural design or exterior appearance of the improvements built upon the Lots or the exterior maintenance of the improvements, the maintenance of party walls, common fences and driveways, or the upkeep of lawns and plantings on all Lots within The Property.

ARTICLE IX

LAND USE RESTRICTIONS

Section 1. Land Use and Building Type. No structure or structures shall be erected, placed, altered or permitted to remain on any Lot or be occupied or used for any purpose other than single multifamily dwellings, private garages, and other outbuildings incidental to residential use. An "outbuilding" as used herein shall mean an enclosed covered structure not directly attached to the dwelling which it serves. A common or party wall between two dwellings

shall be permitted if approved by the Architectural Control Committee.

Section 2. Dwelling Quality and Size. No residential structure shall be erected on any part of The Property which is not compatible with the character, quality and amenities associated with the neighborhood and approved in writing by the Architectural Control Committee in accordance with Article VIII.

Each Lot or Living Unit shall have an attached or detached garage or carport of sufficient size to house not less than one car and off-street parking for one additional car, or two off street parking spaces.

Section 3. Building Locations and Height Restrictions. No building, primary or assessorly, shall be located on any Lot nearer to the front lot line or nearer to the side street line than the minimum building setback lines shown on the recorded plat.

No building, primary or assessorly, on any Lot shall be located within six feet of a primary or assessorly building located on an adjacent or adjoining Lot without the requisite firewall construction required by the then local Building and Fire Codes as promulgated by the Building Department of the City of Boulder, Colorado. For the purposes of this covenant, steps, and open porches shall not be considered as a part of a building.

The Architectural Control Committee shall approve the location and height of any structure placed on any Lot. Such approval must be obtained before commencement of any construction or alteration in accordance with Article VIII.

Section 4. Resubdivision of Lots. No Lot or Lots except Lots numbered 1-9, 38, 39, 41, 42, 44, 45 and Outlot A of the said Forest Glen, Second Filing, shall be subdivided except for the purpose of combining portions with an adjoining Lot provided that no additional building site is created thereby. It is the intent of the Declarant that Lots numbered 1-9, 38, 39, 41, 42,

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44 and 45 and Outlot A of the said Forest Glen, Second Filing, shall be multiple family sites whereby multiple Living Units are created in a multifamily structure. For the purpose of this covenant, sale of a Living Unit to a separate party shall constitute a resubdividing of a Lot.

Any ownership or single holding by any person comprising the whole of one lot and part or parts of one or more adjoining Lots shall for all purposes of this Declaration of Conditions and Restrictions, be deemed as constituting a single Lot. Not less than one entire Lot as originally platted shall be used as a building site.

Section 5. Trees. No tree or trees, whether now growing or hereafter grown upon any part of The Property shall be cut down without prior written approval of the Architectural Control Committee, provided however, that this restriction shall not apply unless such tree is more than two (2) inches in diameter as measured one (1) foot above grade, and provided further that this restriction shall not be construed to limit in any way reasonable trimming of any trees within The Property. Each Owner shall plant and maintain no less than three trees, one of at least two and one-half (2½) inch caliper, and two of at least one and one-half (1½) inch caliper, within ninety (90) days of occupancy of house. In the event the Owner fails to plant and maintain such trees, the Declarant may do so and recover the costs thereof from Owner.

Section 6. Temporary Structures. No temporary house, trailer, tent, garage or outbuilding shall be placed or erected upon any part of The Property and no residence placed or erected on any Lot shall be occupied in any manner at any time prior to its being fully completed in accordance with approved plans nor shall any residence when completed be in any manner occupied until there is compliance with

all requirements, conditions, covenants and restrictions herein set forth; provided, however, that during the actual construction or alteration of a building on any Lot reasonable and necessary temporary buildings for storage of materials may be erected and maintained by the person doing such work. Such temporary storage buildings shall be removed upon completion of the construction, alteration or remodeling. The work of constructing, altering and remodeling any building on The Property shall be prosecuted diligently from its commencement and completed within one year from commencement.

Section 7. Trash, Etc. Each Lot shall provide a fully enclosed area for containment of trash, garbage, or other refuse. Each Owner must provide for regular removal of garbage, and each Lot at all times shall be kept in a clean, sightly and wholesome condition and weeds shall be kept mowed. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Lot so it is visible from any neighboring Lot or the street, except as reasonably necessary during the period of construction. In the event any structure is destroyed either wholly or partially by fire or other casualty, said structure shall be promptly rebuilt or remodeled to conform to this Declaration or all debris and remaining portions of the structure including the foundations shall be promptly removed from the property. No noxious or offensive activity shall be carried on upon The Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 8. Nuisances. Boats, trailers, campers, wrecked cars, tractors, equipment, etc., shall not be kept or stored so they are visible from neighboring Lots or from

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the street. No visable tanks of any kind, shall be erected upon any part of The Property. On any Lot where the improvement is to be heated by gas, the Declarant shall apply for natural gas service, in the event that such service is unavailable the Declarant may install as part of the original first-built improvements temporary LP storage tanks. The Owner must connect with the natural gas service as soon as it becomes available, and the LP tanks must be removed within thirty days from service availablity. All types of refrigerating, cooling or heating apparatus must be concealed.

Section 9. Utilities. All electric, television, radio and telephone line installations and connections from the Owner's property line to the residence shall be placed underground. All antennas must be contained within the structure and not exposed to public view. No aerial masts shall be allowed.

Section 10. Signs. No sign or advertising of any character except for those of the Declarant and its sales agents shall be erected, placed, permitted or maintained on any Lot except that a "For Sale" or "For Rent" sign not to exceed the size permitted in residential areas in the City of Boulder may be placed on the Lot.

Section 11. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on The Property, except that dogs, cats or other household animals may be kept thereon if they are not raised, bred, kept or maintained for any commercial purpose, and do not make objectionable noises or otherwise constitute a nuisance or inconvenience to any of the residents of nearby property.

Section 12. Pets Within The Property. Dogs, cats and other household animals shall not be allowed to run at large within The Property, but shall be at all times on a leash or other immediate control of its Owner. It shall

be the duty of the Association, or its representative, to notify the City Dog Warden of pets found at large within The Property in violation of Municipal Ordinances.

It shall be the duty of the Association to keep The Property free from litter caused by and left by pets or people. The owners of any pets known to be at large shall be properly assessed by the Association for the clean-up expenses incurred as a special assessment against the owner of such pets or person causing such litter.

Section 13. Oil and Mining Operations. No oil drilling, development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 14. Parking. Automobile parking will be subject to regulation and restriction by the Association.

Section 15. Exception. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the builder of a major portion of said buildings to maintain during the period of construction and sale of said buildings, upon such portion of the premises as such builder may choose, such facilities as in the sole opinion of said builder may be reasonably required, convenient or incidental to their construction and sale, including but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

ARTICLE X

EXTERIOR MAINTENANCE

In the event an Owner of any Lot in The Property shall fail to maintain his premises and/or the improvements thereon in a manner satisfactory to the Board of Directors of

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the Association, after approval by two-thirds (2/3) vote of the Board of Directors, the Board of Directors shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such restoring, repairing or maintenance shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE XI

EASEMENTS

Section 1. Utility Easement. Easements for public utilities over and across the Common Properties shall be those shown upon the recorded plat of The Property, and such other easements as may be established pursuant to the provisions of this Declaration or as may hereinafter be granted over and across the Common Properties by the Board of Directors of the Association.

Section 2. Declarant's Easements. Anything to the contrary herein notwithstanding, the Declarant and/or its agents hereby reserve an easement and right-of-way over all Common Properties and all Lots not conveyed for the sole use of constructing improvements, utilities and other matters including the right to erect temporary buildings to store any and all materials. This reservation shall terminate upon conveyance of the last Lot platted in The Property. Declarant and/or its agents further reserve the right to use any completed structure for the purpose of sales office or model home for demonstration purposes. This reservation shall cease on December 31, 1978.

Section 3. Special Easements. Due to the anticipated style of improvements to be placed on certain lots,

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an improvement may be located on or so near its property line so as to make entry upon an adjoining Lot or Lots a necessity incident to the construction and maintenance of such improvement. In the event the above situation shall exist, then at the time of the commencement of the construction of such improvement provided such construction shall commence within twenty (20) years after the date of the recording of this Declaration, there shall thereby be created an easement or easements for the co. struction, maintenance, repair, replacement and/or reconstruction of such improvement so located on or near its property line. Said easement or easements (1) shall be over and across the Lot or Lots immediately adjoining the Lot upon which such improvement is so located, (2) shall extend the full depth of the adjoining Lot or Lots, and (3) shall extend into so much of the adjoining Lot or Lots as is necessary to provide the Owner of such improvement so located with an easement of such width that, when added to the space lying between the improvement and its property line, such easement shall be six (6) feet in width. Construction of any structure shall be prohibited within these easements except as such structure shall be approved in writing by the Architectural Control Committee.

If any portion of a roof overhang of an improvement as initially constructed by the Declarant, or its agents, encroaches upon an adjoining Lot or Lots, a valid easement for such encroachment and the construction, maintenance, repair, replacement and/or reconstruction shall and does exist.

For title and other purposes, such easements shall not be considered or deemed to be encumbrances upon such adjoining Lot.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration, either to prevent or restrain any violation of same, or to recover such damages as may ensue because of such violation, including cost of suit and reasonable attorney fees. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Section 3. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of the Association, the Owner of any Lot subject to this Declaration, their respective legal representatives, their heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90%) per cent of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75%) per cent of the Lot Owners; provided, however, any amendment must have the written approval of ninety (90%) per cent of the First Mortgagees. Any amendment may be properly recorded.

Section 5. Notices. Any notice required to be sent to any Member or Owner under provisions of this Declaration shall be deemed to have been properly sent when mailed, post-paid to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 6. Attorney's Fees and Costs. If any action is brought in a court of law or put into arbitration as to the enforcement, interpretation, or construction of any of these covenants, conditions and restrictions, the prevailing party in such action shall be entitled to reasonable attorney's fees as well as all costs incurred in the prosecution or defense of such action.

Section 7. Binding Effect. The benefits and duties herein accrued to or imposed upon Declarant shall be binding upon and inure to the benefit of the Declarant and its successors and assigns.

Section 8. Common Properties Improvement Development Schedule. Rex Motors, Inc., d/b/a Rex Land and Development Corporation agrees that the construction of the tennis courts and tot lot on the Common Properties shall begin when sixty (60) Lots or Living Units have either been sold or under construction, and that the construction of Silver Lake Greenway and Norwood Greenway shall begin when one hundred (100) Lots or Living Units have either been sold or under construction. Said improvements to be completed within ninety (90) days from commencement.

To accomplish the above construction, Rex Motors, Inc., d/b/a Rex Land and Development Corporation agrees to escrow \$300.00 from the sale of every Lot or Living Unit owned by it within The Property.

