

PROTECTIVE COVENANTS FOR A PORTION
OF COLUMBINE KNOLLS SOUTH,
FILING NO. 2, AMENDMENT NO. 1
(RECEPTION NO. 78048583)
REVISED COVENANTS OCTOBER 2008

PART A PREAMBLE

Whereas, the undersigned, RIDGEWOOD DEVELOPMENT CO., a Limited Partnership, 14618 W. Sixth Avenue, Golden, Colorado, is the sole owner of the following described real property in the County of Jefferson, State of Colorado, to-wit:

Whereas, Ridgewood Development Co., a Limited Partnership, submitted certain real property to the Protective Covenants for a Portion of Columbine Knolls South, Filing No. 2, Amendment No. 1 as recorded in the real property records of Jefferson County, Colorado at Reception No. 78048583 on June 1, 1978 (the "Protective Covenants").

Whereas, the following Lots located in Jefferson County, Colorado are subject to the terms of these Protective Covenants:

Lots 1 through 71, Block 5, Lots 1 through 26, Block 6, Lots 1 through 30, Block 7, Lots 1 through 17, Block 8, Lots 1 through 11, Block 9, Lots 1 through 14, Block 10, Lots 1 through 23, Block 11, Lots 1 through 56, Block 12, Lots 1 through 8, Block 13 and Lots 41 through 46, Block 14, all in COLUMBINE KNOLLS SOUTH-FILING NO. 2, Amendment No. 1.

Whereas, it is desired to maintain said real property as a high class residential district:

Whereas, Part I, Section I-1 of the Protective Covenants provides that the covenants may be amended at any time and from time to time by the agreement of the then owners of a majority of the Lots; and

Whereas, Owners of at least a majority of the Lots subject to these Protective Covenants desire to amend and restate the Protective Covenants in their entirety and have evidenced their agreement by their signatures attached hereto.

NOW, THEREFORE, the Protective Covenants are hereby amended by amending and restating them as follows:

PART B DEFINITIONS

Generally, terms used in these Protective Covenants, the Bylaws, and the Articles of Incorporation shall have their normal, generally accepted meanings or the meanings given in the Colorado Nonprofit Corporation Code. Unless the context otherwise requires, certain terms used in these Protective Covenants shall be defined as follows:

(a) "Act" means the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-100, et seq., as may be amended from time to time. Columbine Knolls South II is a limited expense community subject only to those provisions of the Act as set forth in C.R.S. § 38-33.3-116.

(b) "Association" means Columbine Knolls South II Homeowners Association, a Colorado nonprofit corporation, its successors or assigns.

(c) "Board" or "Board of Directors" means the elected body responsible for management and operation of the Association.

(d) "Bylaws" mean the Bylaws of Columbine Knolls South II Homeowners Association.

(e) "Common Expenses" mean the expenses anticipated or actually incurred by the Association for the benefit of the Association and the Members.

(f) "Community" means the Lots in Columbine Knolls South, Filing No. 2, Amendment No. 1 that are subject to the terms of these Protective Covenants.

(g) "Community-Wide Standard" means the standard of conduct, maintenance, or other activity generally prevailing within the Community.

(h) "Governing Documents" mean these Protective Covenants, the Association's Bylaws, rules and regulations and the Plat, all as may be supplemented or amended from time to time.

(i) "Lot" means a portion of the Columbine Knolls South II Subdivision, Filing No. 2, Amendment No. 1 that is intended for ownership and use as a single family dwelling site.

(j) "Member" means a member of the Association, including Permanent Members and Voluntary Members.

(k) "Owner" means the record title holder of a Lot within the Property, but shall not include a Mortgage Holder on the Lot.

(l) "Permanent Member" means a Lot Owner whose Lot has been subjected to Permanent Membership in the Association.

(m) "Permanent Member Lot" means a Lot subjected to Permanent Membership in the Association hereunder.

(n) "Permanent Membership" means a membership in the Association which is permanent and mandatory and which cannot be separated from a Lot, but rather is appurtenant to and runs with title to a Lot by acquisition of the Lot after the date these Amended and Restated Protective Covenants are recorded in the Jefferson County, Colorado land records.

(o) "Person" means any individual, corporation, firm, association, partnership, trust, or other legal entity.

(p) "Property" means that real estate which is submitted to the provisions of these Protective Covenants, as described in the Preamble to these Amended and Restated Protective Covenants and incorporated herein by reference.

(q) "Voluntary Member" means an Owner of a Lot who is a member of the Association, but whose Lot has not been subjected to Permanent Membership in the Association.

PART C AREA OF APPLICATION

C-1 FULLY PROTECTED RESIDENTIAL AREA

Now, therefore, the conditions and protective covenants as hereinafter provided upon the real property above described are declared, imposed and established upon the property subject to these Protective Covenants.

PART D RESIDENTIAL AREA COVENANTS

D-1 LAND USE AND BUILDING TYPE

No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than a detached, single family dwelling not to exceed two and one-half stories in height and private garage.

No trade or business of any kind may be conducted in or from a Lot, except that a resident of a dwelling on a Lot may conduct ancillary business activities within the residence so long as:

(a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside of the Lot;

(b) the business activity does not involve visitation of the Lot by employees, clients, customers, suppliers or other business invitees in greater volume than would normally be expected for guest visitation to a residence without business activity;

(c) the business activity is legal and conforms to all zoning requirements for the Community;

(d) the business activity does not increase traffic in the Community in excess of what would normally be expected for a residential subdivision without business activity (other than by a reasonable number of deliveries by couriers, express mail carriers, parcel delivery services and other such similar delivery services);

(e) any business vehicles in the Community shall be limited to vehicles used primarily for residential purposes (such as pick-up trucks not exceeding one ton load capacity, passenger type vans, and sports utility vehicles not exceeding one ton). Such vehicles may contain signage, but trailers and unenclosed business equipment, including, but not limited to landscaping equipment, tanks, and snowplows are prohibited.

(f) the business activity is consistent with the residential character of the Community and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as determined in the Board's discretion.

The terms "business" and "trade," as used herein, shall have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required for the activity.

D-2 ARCHITECTURAL CONTROL

No structures, including, but not limited to residences, accessory buildings, sports courts, pools, fences, walls or other improvements shall be erected, placed or altered on any Lot; nor shall any structure or attachments to the exterior of a residence (including, but not limited to roof replacement, paint, exterior lighting, awnings, patios, decks or shutters); nor grading, excavation, filling, grade, change or ground level or change of drainage pattern be undertaken until the construction plans and specifications and a plot plan showing the location of the structure have been submitted to and approved in writing by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design and color with existing structures, and as to location with respect to topography and finish grade elevations. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line unless similarly approved.

D-3 DWELLING SIZE

The ground floor area of the main structure, exclusive of one-story open porches and garages, shall not be less than 1000 square feet for a one-story dwelling, or less than 800 square feet for a dwelling of more than one-story.

D-4 EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear ten feet of each Lot. Within these easements no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or

which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot except for those improvements for which a public authority of utility company is responsible.

D-5 NUISANCES

No noxious, destructive, offensive or unsanitary activity shall be carried on upon any Lot. No resident may use or allow the use of the Lot or any portion of the Community at any time, in any way, which may endanger the health or property of other residents, unreasonably annoy, disturb or cause embarrassment or discomfort to other residents, or, otherwise constitute a nuisance. The intention of this provision is to grant the Association and aggrieved residents a right of redress for actions, activities or conduct which unreasonably disturbs or impairs the peaceful and safe enjoyment of the Community. In this regard, specific unauthorized and unreasonable annoyances or disturbances shall include, but not be limited to, the following:

(a) any excessively loud activities or equipment, either outside of a residence on a Lot at any time or within a residence if such conduct can be heard in the normal course of activities in any other residence(s);

(b) any threatening or intimidating conduct towards any resident, guest or pet in the Community;

(c) any conduct which creates any noxious or offensive odor if such odors can be detected in the normal course of activities on another Lot;

(d) any incessant or excessive pet noises, including dog barking, if such conduct can be heard in the normal course of activities in any other residence(s);

(e) No resident may use or allow the use of the Lot in any manner which creates noise between the hours of 11:00 p.m. and 7:30 a.m. which can be heard by persons in another residence that will unreasonably interfere with the rights, comfort or convenience of any other resident.

Nothing herein shall be construed to affect the rights of an aggrieved resident to proceed individually against a violator hereof for relief from interference with his or her property or

personal rights, and the Board may, in its discretion, require aggrieved individuals to seek redress personally for interference with their personal property rights before the Association intervenes and commences enforcement action hereunder. At the Board's discretion, the Association may intervene when two or more Lots are affected. No claim for any loss, damage or otherwise shall exist by an aggrieved Owner or Occupant against the Association for failure to enforce the provisions hereof if the aggrieved resident(s) has not personally pursued all available remedies against the violator for redress provided under Colorado law.

D-6 RECREATIONAL VEHICLE STORAGE

The storage of recreational vehicles such as boats, campers, trailers, motor homes, snowmobiles, etc. shall not be permitted within this development unless such storage is totally screened from public view by a solid six (6) foot fence.

D-7 ANTENNAS

Antennas expressly permitted under applicable federal statutes or regulations shall be installed in the least conspicuous location available on the Lot that permits acceptable signals, without unreasonable delay or unreasonable increase in the cost of installation, maintenance or use of the permitted antenna. Masts for permitted antennas shall be no higher than required for receipt of an acceptable quality signal. The Association may adopt rules regarding location and installation of permitted antennas, subject to limitations of applicable federal law. Any exterior television or other antennae, microwave dish, satellite dish, satellite earth station or similar device of any type is subject to reasonable and valid safety restrictions and reasonable restrictions as to screening of the device from view by neighboring Lots. Except as allowed by federal statutes and regulation, no exterior television or any other antennae, microwave dish, satellite dish, satellite antenna, satellite earth station or similar device of any type shall be erected, installed or maintained on a Lot without prior written approval of the Architectural Control Committee.

D-8 SIGNS

Except as may be provided for herein or as may be required by state law or legal proceedings, no signs, advertising posters, political placards or billboards of any kind shall be erected, placed, or permitted to remain on a Lot without the prior written

consent of the Board or its designee, except as follows: (a) one professional security sign not to exceed one foot by one foot; (b) one professionally lettered "For Rent" or "For Sale" sign not to exceed three feet by two feet in size may be displayed on a Lot being offered for sale or for lease; (c) not more than one temporary trade sign pertaining to, but not limited to, contractors, landscapers, painters and roofers, may be displayed while work is in progress, or not to exceed 30 days, whichever is less; (d) political signs as permitted by Colorado law. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

D-9 OIL AND MINING OPERATIONS

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts 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.

D-10 ANIMALS

Private kennels for not more than three dogs and/or cats or other domestic pets shall be permitted. There shall be no horses, cows, sheep, pigs, goats, poultry or other such animals. Pets may not be kept, bred or maintained for any commercial purposes. All Lots must be maintained in a clean and odor free environment as to not be a nuisance.

D-11 RUBBISH AND TRASH

No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. All trash and service collection areas shall be maintained within a building attached to the structure or in separate enclosures constructed of same exterior materials and out of public view.

D-12 SIGHT DISTANCE AT INTERSECTION

No fence, wall, hedge or shrub planting which obstructs sight-lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner

Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight-line limitation shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of a driveway. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight-lines.

D-13 LOT MAINTENANCE

Each Owner shall have the obligation to maintain and keep in good repair all portions of the Owner's Lot consistent with the Community-Wide Standard. This maintenance responsibility shall include, but not be limited to the following:

(a) Improvements. Each Owner shall be responsible for maintenance, repair and replacement of the property and improvements located within their Lot boundaries, including fencing located on a Lot, or a property line of a Lot, in which case the Owners shall be responsible. Each Owner shall be responsible for maintenance, repair and replacement of their exterior lighting, decks, patios, driveways, sidewalks, doors, garage doors, windows, building surfaces and painting or staining the exterior surfaces of the improvements on the Lot.

(b) Landscaping. Each Owner shall maintain the landscaping on the Lot in a safe, neat, attractive and well-kept condition, which shall include lawns mowed, hedges, shrubs, and trees pruned and trimmed, adequate watering, replacement of dead, diseased or unsightly vegetation, and removal of weeds and debris.

In addition, each Owner shall have the responsibility to perform his or her responsibilities in such manner so as not to unreasonably disturb other persons in other Lots.

PART E ARCHITECTURAL REVIEW

E-1 MEMBERSHIP

The Architectural Control Committee shall be comprised of the then current members of the Board of Directors of the Columbine Knolls South II Homeowners Association unless the Board delegates to other Members the authority to serve on the

Committee. Neither the members of the committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

E-2 DESIGN GUIDELINES

The Architectural Control Committee may propose architectural guidelines ("Design Guidelines") from time to time, which guidelines shall be approved by Members casting a majority of the eligible votes in the Association. Upon approval, the Design Guidelines shall become part of the rules and regulations and Governing Documents of the Association.

E-3 APPLICATION PROCEDURES

The Architectural Control Committee may require that applications and plans and specifications show exterior design, height, materials, color, location of the structure or addition to the structure or proposed improvement (plotted horizontally and vertically), location and size of driveways, walls, windbreaks and grading plan, as well as such other materials and information as may be required by the Committee and/or set forth in the Design Guidelines. Applications shall be submitted to the Association's managing agent or other person designated by the Committee. Applications shall be reviewed at meetings of the Committee. Owners submitting applications are responsible for providing documentation to the Committee regarding harmony of external design, effective location and use of improvements, preservation of aesthetic beauty and conformity with specifications and purposes generally set forth in these Protective Covenants and the Design Guidelines. The Committee may require submission of additional plans, specifications, or other information prior to approving or disapproving the application. Notwithstanding Section E-6 below, until receipt by the Committee of all required materials in connection with the application, the Committee may postpone review of any materials submitted for approval.

E-4 ARCHITECTURAL REVIEW CRITERIA

The Committee shall exercise its reasonable judgment to the end that proposed improvements, construction, alterations or landscaping conform to and harmonize with the existing surroundings, residences, landscaping and structures. The approval or consent of the Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious. The standard for approval

shall include, but not be limited to: (a) conformity and harmony of exterior appearances of structures with neighboring structures, including design compatibility and scale; (b) color and materials to be used; (c) effective location and impact on nearby Lots; (d) relation to the natural environment; (e) preservation of aesthetic beauty and conformity with the specifications and purposes generally set out in these Protective Covenants and in the Design Guidelines; and (f) any other matter deemed to be relevant or appropriate by the Committee.

E-5 VARIANCES

The Committee may recommend and the Board may grant reasonable variances or adjustments from any conditions and restrictions imposed by these Protective Covenants in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in these Protective Covenants or in the Design Guidelines.

E-6 REPLY AND COMMUNICATION

The committee's approval or disapproval as required in these covenants shall be in writing. In the event the committee or its designated representative fails to approve or disapprove within 30 days after all plans, specifications or any requested additional information have been submitted to it approval will not be required, and the related covenants shall be deemed to have been fully complied with; provided, however, nothing herein shall authorize anyone to construct or maintain any structure or improvement that is otherwise in violation of the Declaration or the Design Standards.

E-7 COMMENCEMENT AND COMPLETION OF APPROVED WORK

All changes, modifications and improvements approved by the Architectural Control Committee hereunder must be commenced within six months from the date of approval. If not commenced within such time, then such approval shall be deemed revoked, unless the Committee gives a written extension for commencing the work. During construction of an improvement or other approved work, the Committee or its representative(s) are authorized to enter onto the Lot for exterior inspection at a mutually agreed time, if required. All work must be performed in accordance with the plans as approved by the Committee, including any conditions imposed by the Committee.

All work approved by the Committee hereunder shall be completed in its entirety within 90 days from the date of commencement, unless otherwise agreed to in writing by the Committee. All approved changes, modifications, and improvements must be completed in their entirety. An Owner may not construct only a portion or part of an approved change, modification, or improvement.

E-8 NOTICE OF NONCOMPLIANCE

If as a result of inspections or otherwise, the Committee determines that work has been done without obtaining approval of the Committee, was not performed in accordance with the terms of the approved application, or was not completed within the required time frame, the Committee shall notify the Owner in writing of the noncompliance, specifying the particulars of the noncompliance. Within 45 days of the notice of noncompliance, the Owner, at the Owner's expense and cost, shall remedy the noncompliant condition or conditions or restore the Lot to substantially the same condition as it existed prior to commencement of the improvement, alteration, installation or construction.

E-9 RIGHT TO APPEAL

In the event that the Board delegates to other Members the authority to serve on the Architectural Control Committee, an Owner may appeal any decision of the Architectural Control Committee to the Board of Directors by written appeal submitted to the Board within 30 days of the date that the Committee decision or notice is mailed to the Owner. The Board of Directors shall review the decision of the Architectural Control Committee and all materials submitted to the Committee pursuant to the criteria set forth in Section E-4 above and the Design Guidelines. Any decision of the Architectural Control Committee may be overruled and reversed by a majority of the directors by a written decision setting forth the reasons for the reversal when the Board concludes that the Architectural Control Committee's decision was inconsistent with the criteria set forth in these Protective Covenants and the Design Guidelines. If the Board fails to make a decision on the appeal within 45 days of the date submitted by the Owner, then appeal shall be deemed denied.

E-10 LIMITATION OF LIABILITY

Review and approval of any application pursuant to this Article may be made on any basis, including solely the basis of aesthetic considerations, and neither the Board of Directors nor the Architectural Control Committee shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations, and other governmental requirements. Neither the Association, the Board of Directors, the Committee nor member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner, design, or quality of approved construction on or modifications to any Lot, nor may any action be brought against the Association, the Board of Directors, the Committee or any member thereof, for any such injury, damage or loss.

E-11 NO WAIVER OF FUTURE APPROVALS

Each Owner acknowledges that the members of the Board of Directors and the Architectural Control Committee will change from time to time and that interpretation, application and enforcement of the architectural standards may vary accordingly. Each Owner further acknowledges that the Board of Directors and the Committee may adopt different architectural standards for different parts of the Community, based on street visibility and location of the proposed modification. The approval of the Board of Directors or the Committee of any proposals, plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of the Board of Directors or the Committee, shall not constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

E-12 RECORDS

The Association shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto.

E-13 ENFORCEMENT

Any construction, alteration or other work done in violation of these Protective Covenants, the Design Guidelines or any applicable zoning regulation shall be deemed to be nonconforming.

Upon written request from the Board, a violating Owner shall, at the Owner's own cost and expense, remove such nonconforming construction, alteration or other work and restore the Lot to substantially the same condition as existed prior to such construction, alteration or work. Should the Owner fail to do so, the Board or its designees may impose fines after notice and an opportunity for hearing. The Association shall also have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of these Protective Covenants, and its decisions or those of the Architectural Control Committee. The Association shall have the right to seek attorney fees incurred in enforcing the provisions of this Article.

PART F ASSOCIATION MEMBERSHIP AND VOTING RIGHTS.

F-1 MEMBERSHIP

(a) Voluntary Members. Until the date that a Lot is transferred in accordance with this Section, the Owner may be a voluntary member of the Association. It is understood that there are also voluntary members of the Association that reside in other filings of Columbine South that are not subject to the terms of these Protective Covenants. Voluntary membership shall be contingent upon payment of dues established by the Board and compliance with these Protective Covenants, By-Laws and rules and regulations of the Association.

(b) Permanent Members. After the recording date of these Amended and Restated Protective Covenants, upon transfer of any Lot subject to these Protective Covenants, the record owner of a fee or undivided fee interest in such Lot shall be a Permanent Member of the Association. Permanent Membership shall be appurtenant to and may not be separated from ownership of any such Permanent Membership Lot.

The foregoing definitions of membership are not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate an Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Lot owned. In the event of multiple Owners of a Lot, votes shall be as provided in these Protective Covenants and in the Bylaws.

Any rights and privileges of membership, including the right to vote and to hold office, may be exercised by a Member or the Member's spouse, but in no event shall more than one vote be cast, nor office held, for each Lot owned.

F-2 VOTING

All Members (including both Voluntary and Permanent Members) in good standing shall be entitled to one equal vote for each Lot owned. When more than one Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Owners determine among themselves and advise the Secretary prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one Person seeks to exercise it.

PART G ASSESSMENTS.

G-1 GENERAL

The Association shall have the power to levy assessments or dues against all Permanent Members as provided herein and in the By-Laws. The assessments provided for herein shall be used for the general purposes of enforcing these Protective Covenants and other covenants upon the Property, insurance, and promoting the common benefit of the Owners and other residents of Lots in the Community, as may be more specifically authorized from time to time by the Board. The Association may contract for trash service, in which case, the cost of such service shall be an optional fee for those Members that use such service. Except as otherwise provided herein, each Voluntary and Permanent Member Lot is hereby allocated equal liability for Common Expenses.

G-2 PERMANENT MEMBERS: CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS.

Each Owner of a Permanent Member Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments (dues) or charges; and (b) specific assessments against any particular Lot which are established pursuant to the terms of these Protective Covenants, including, but not limited to fines.

All such assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred, in the maximum amount permitted under the Act, shall be a charge on such Permanent Member Lot and shall be a continuing lien upon the Lot

against which each assessment is made. Such amounts shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors.

G-3 LIEN PRIORITY

A lien on a Permanent Membership Lot is prior to all other liens and encumbrances on a Lot except:

(a) liens and encumbrances recorded before the recordation of the Protective Covenants;

(b) a security interest on the Lot which has priority over other security interests on the Lot and which was recorded before the date on which the assessment sought to be enforced became delinquent; and

(c) liens for real estate taxes and other governmental assessments or charges against the Lot.

A lien under this section is also prior to the security interests described in subparagraph (b) above to the extent of an amount equal to the common expense assessments based on a periodic budget adopted by the Association that would have become due, in the absence of any acceleration, during the six months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this section of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien.

The lien provided for herein shall have priority as set forth in the Act. The sale or transfer of any Lot pursuant to foreclosure of a first Mortgage shall extinguish the lien for assessments as to payments coming due prior to such sale or transfer, except to the extent of the limited priority set forth in the Act. No sale or transfer shall relieve such Lot from liability for any assessments thereafter coming due or from the lien thereof. No Permanent Member may exempt himself or herself from liability for or otherwise withhold payment of assessments for any reason whatsoever.

G-4 DELINQUENT ASSESSMENTS ON PERMANENT MEMBER LOTS

All assessments and related charges not paid on or before the due date established by the Board shall be delinquent and the Member shall be in default.

(a) If the annual assessments or any part or installment thereof is not paid in full within 30 days of the due date, a late charge may be imposed without further notice or warning to the delinquent Member, and interest at the highest rate permitted under the Act shall accrue from the due date.

(b) If part payment of assessments and related charges is made, the amount received shall be applied first to costs and attorneys fees, as applicable, and then, in order, to late charges, interest, delinquent assessments, and current assessments.

G-5 COMPUTATION OF BUDGET

Prior to the beginning of each fiscal year, the Board shall prepare a budget covering the estimated costs of operating the Community during the coming year, including anticipated income from Voluntary Members, and the Board shall establish the annual assessment or installments for the coming year; provided, however, Members holding at least a majority of the votes cast at a duly called meeting must approve the budget. If the Board determines at any time that the budget is not adequate, the Board may propose a revised budget that must be approved in accordance with the terms of this section. Notice of the annual assessment and installments thereof shall be provided in writing to Members at least 30 days prior to the due date. Assessments or dues are not refundable for either Permanent or Voluntary Members. The budget shall not operate as a limitation on expenditures by the Board, but, rather, the budget is an estimate of Common Expenses on which the Board may base the annual assessments.

G-6 STATEMENT OF ACCOUNT

For any Permanent Membership Lot, the Association shall furnish to a Permanent Member or the Member's designee or to a holder of a security interest or its designee a statement setting forth the amount of unpaid Assessments then levied against the Lot in which the Permanent Member, designee or holder of a security interest has an interest within 14 days after receipt of a written request to the Association's registered agent or other person designated by the Association. The information contained in such

statement, when signed by the Treasurer of the Association, or Manager, if any, shall be binding upon the Association, the Board, and every Permanent Member as to the person or persons to whom such statement is issued and who rely on it in good faith. The Board may establish a reasonable fee relating to such statement.

PART H CONSOLIDATION OF COLUMBINE KNOLLS SOUTH II FILINGS

In addition to lots subject to these Protective Covenants in Filing No. 2, Amendment No. 1, there are Protective Covenants For a Portion of Columbine Knolls South, Filing No. 2, Amendment 1 & of Columbine Knolls South Filing No. 2, Amendment No. 1, Exemption Survey No. 1 (recorded on October 19, 1984 at Reception No. 84098383) and Protective Covenants for a Portion of Columbine Knolls South Filing No. 2, Amendment No. 1 & of Columbine Knolls South Filing No. 2, Amendment No. 1, Exemption Survey No. 1 (recorded on October 23, 1984 at Reception No. 84099340). Upon consent of a majority of the Owners of Lots subject to these Protective Covenants and consent of a majority of the Owners of Lots subject to each of the above referenced Protective Covenants, the Protective Covenants recorded on October 19, 1984 and the Protective Covenants recorded on October 23, 1984 may be consolidated into one set of Protective Covenants.

PART I GENERAL PROVISIONS

I-1 DURATION

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them in perpetuity.

I-2 AMENDMENT

Any provision, covenant or restriction contained in these covenants may be amended, revised or removed and new provisions, covenants or restrictions may be added at any time upon the approval of more than 50% of the then Owners of the Lots. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Jefferson County, State of Colorado of a certificate setting forth the amendment in full and certifying that the amendment has been approved as set forth above.

I-3 ENFORCEMENT

Lots shall be used only for those uses and purposes set out in these Protective Covenants. All residents shall comply with these Protective Covenants, the Bylaws and rules and regulations of the Association, and any lack of compliance shall entitle the Association and, in an appropriate case, one or more aggrieved Lot Owners, to take action to enforce the terms of these Protective Covenants, Bylaws or rules and regulations. In addition to any rights the Association may have against an Owner's family, guests, tenants or other residents, as a result of such person's violation of the Governing Documents, the Association may take action under these Protective Covenants against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, tenants or other residents.

The Association may enforce all applicable provisions of the Governing Documents and may impose sanctions for violations of the Governing Documents, including, without limitation:

(a) after notice and opportunity for a hearing, imposing reasonable monetary fines, which shall constitute a lien on the violator's Permanent Membership Lot;

(b) suspending the right to vote;

(c) exercising self-help or taking other action to abate any violation of the Governing Documents; provided that the Association shall not have authority to enter the interior of a residence on a Lot;

(d) requiring an Owner, at the Owner's expense, to remove any structure or improvement on the Owner's Lot in violation of the Governing Documents as more particularly provided for in Article D of these Protective Covenants;

(e) bringing a suit at law or in equity to enjoin any violation or to recover monetary damages or both; and

(f) recording a notice of noncompliance against the Lot in the Jefferson County records for any violation of the Governing Documents.

All remedies set forth in the Governing Documents are cumulative. The Board shall have the discretion to determine whether enforcement action in any particular case shall be pursued;

provided that the Board shall exercise judgment, be reasonable and not be arbitrary and capricious. A decision of the Association not to pursue enforcement action shall not be construed as a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other provision of the Governing Documents.

Notwithstanding the above, no right of action shall exist against the Association for failure of enforcement where: (i) the Board determines that the Association's position is not strong enough to justify taking enforcement action; (ii) a particular violation is not of such a material nature as to be objectionable to a reasonable person or justify the expense and resources to pursue; or (iii) the Owner or party asserting a failure of enforcement possesses an independent right to bring an enforcement action at law or in equity and has failed to do so.

I-4 SEVERABILITY

Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

PART J SUPPLEMENT TO COVENANTS

J-1 PUBLIC STREET LIGHTING

All Lots are subject to and bound by Public Service Company tariffs which are now and may in the future be filed with the Public Utilities Commission of the State of Colorado relating to street lighting in this subdivision together with rates, rules and regulations therein provided and subject to all future amendments and changes thereto. The Owner or Owners shall pay as billed a portion of the cost of public street lighting in the subdivision according to Public Service Company rates, rules and regulations, including future amendments and changes on file with the Public Utilities Commission of the State of Colorado.

IN WITNESS WHEREEOF, these Amended and Restated Protective Covenants are executed by the undersigned persons, who represent owners of at least a majority of the Lots subject to these Protective Covenants.