

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR FORBES PARK, COSTILLA COUNTY, COLORADO**

THIS DECLARATION, made and executed this 11th day of March, 1976, by Sangre de Cristo Ranches Inc., a corporation incorporated under the laws of the State of Colorado, hereinafter referred to as "Declarant;

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property described in Exhibit A attached hereto and made a part hereof, hereinafter referred to as "Forbes Park"; and

WHEREAS, Declarant desires to create thereon a subdivision for the enjoyment and convenience of the persons who wish to live in Forbes Park with (a) access to it reserved for and restricted to those parties designated in Article IV; (b) limited commercial areas; and (c) Common Areas for the use, enjoyment and recreation of those parties designated in Article IV hereof. and

WHEREAS, Forbes Park is a staged development subdivision to be developed over a period of time; and

WHEREAS, Declarant desires to reserve the right to add to Forbes Park part or all of the real property described in Exhibit B attached hereto and made a part hereof. and

WHEREAS, Declarant desires to Insure the attractiveness of Forbes Park, to prevent nuisances, to preserve, protect and enhance the values and amenities of Forbes Park and to provide for the maintenance of the Common Areas therein. To accomplish these purposes, Declarant (a) desires to subject the real property described In Exhibit A, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said real property and each Owner thereof. (b) has caused to be incorporated Forbes Park Land Owners Association (hereinafter referred to as "Association"), as a non-profit corporation under the laws of the State of Colorado for the purpose of exercising the powers and functions granted to It by this Declaration and by its Articles of Incorporation and Bylaws; and (c) desires that an Environmental Control Committee be created; and

WHEREAS, Declarant desires to grant to the Association an easement for recreational use and enjoyment as set forth in Exhibit C attached hereto and made a part hereof. .

NOW, THEREFORE, Declarant hereby declares that the real property described in Exhibit A, attached hereto, and such additions thereto as may hereafter be made, shall be held, transferred, sold, conveyed, improved and occupied subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, which shall run with the real property in Forbes Park and all additions thereto and be binding on all parties having any right, title or interest in Forbes Park or any additions thereto or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof, and Declarant hereby further declares that the real property described in Exhibit C attached hereto and such additions thereto as may hereafter be made, shall be owned by Declarant but dedicated and set aside for the common use, enjoyment and recreation of Owners. pursuant and subject to the nonexclusive perpetual easement described In Exhibit C attached hereto. Declarant may, at any time and from time to time, convert all or portions of the Exhibit C properties to Association Property by conveying all or portions of Exhibit C properties to the Association In fee simple. .

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Forbes Park Land Owners Association, its successors and assigns.

Section 2 "Association Property" shall mean all real property described in Exhibit D attached hereto and all real property and personal property and Improvements hereafter conveyed or leased to the Association. Association Property shall not include the real property described in attached Exhibit C until all or portions of the Exhibit C properties are later added to Exhibit D by Declarant.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Commercial Lot shall mean and refer to any Lot in a Unit which is designated a Commercial Lot by Declarant prior to the time any Lot in such Unit is sold.

Section 5. "Committee" shall mean and refer to the Environmental Control Committee.

Section 6. "Common Areas" shall collectively mean and refer to (a) all Association Property; (b) the easement described in Exhibit C and such additions thereto as may hereafter be made; and (c) such other real property and Improvements as may hereafter be conveyed or leased to the Association for the common use and enjoyment of the Owners, Declarant and Forbes.

Section 7. "Condominium Unit" shall mean only a residential condominium unit as defined in C.R.S. 38-33-103, as amended.

Section 8. "Contractor" shall mean and refer to each person who has been selected by an Owner to provide goods, materials or services of any kind for such Owner and who has been authorized by the Committee to enter Forbes Park for any such purpose.

Section 9. "Declarant" shall mean and refer to Sangre de Cristo Ranches Inc., its successors and assigns. Declarant shall be a Member of the Association but not an Owner.

Section 10. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, as it may be amended from time to time, applicable to Forbes Park and recorded in the Office of the Clerk and Recorder of Costilla County, Colorado.

Section 11. "Dependent shall mean and refer to a family member of an Owner or *tenant* of Owner who resides in such Owner's or tenants primary residence and who is primarily dependent on such Owner or tenant for financial support.

Section 12. "Fiscal Year" shall mean and refer to the period from October 1 to September 30, inclusive.

Section 13. "Forbes" shall mean and refer to Forbes Trinchera, Inc..

Section 14. "Forbes Park" shall mean and refer to that certain real property described in Exhibit A, the real property subject to the easement described in Exhibit C and Association Property and such additional lands as may hereafter be added thereto by Declarant in accordance with the provisions hereof and subjected to this Declaration by Declarant

Section 15. "Guest" shall mean and refer to any person who is a visitor or invitee and who is accompanied by an Owner, Dependent the Declarant or a tenant

Section 16. "Improvement" shall mean every structure and all appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, patios, tennis courts, swimming pools, antennas, exterior lights, roads, driveways, parking areas, fences, screening walls, retaining walls, landscaping, plantings, signs, and poles, tanks, reservoirs, pipes, towers and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

Section 17. "Lot" shall mean and refer to any plot of land shown as a numbered lot upon any recorded subdivision plat of Forbes Park, including a Commercial lot.

Section 18. "Member" shall mean and refer to every Owner and Declarant

Section 19. "Owner" shall mean (a) the person or persons holding a fee simple title interest in a lot or a Condominium Unit. or, as the case may be, (b) the purchaser or purchasers of a fee simple interest in a lot or a Condominium Unit under an installment sales contract Declarant shall not be an Owner.

Section 20. "Person" shall mean a natural individual or any other entity having the legal right to hold title to real property.

Section 21. "Plans and Specifications" shall mean any and all documents designed to guide or control the Improvement or other proposal in question, including but not limited to those indicating size, shape configuration or materials, all site plans, excavation and grading plans, drainage plans, elevation drawings, samples of exterior colors, building products and materials, plans for utility services and all other documentation or information relevant to the Improvement or proposal in question.

Section 22. "Repairman" shall mean and refer to each person who has been selected by an Owner to provide goods, materials or services of any kind for such Owner and who has not been authorized by the Committee to enter Forbes Park for any such purpose.

Section 23. "Unaccompanied Guest" shall mean and refer to any visitor or invitee in Forbes Park who is not accompanied by an Owner, Dependent the Declarant or a tenant

Section 24. "Unit" shall mean and refer to a subdivided area of Forbes Park which is designated as a Unit on a subdivision plat map.

Section 25. "Voting Member" shall mean and refer to any Member of the Association with respect to whose lot or Condominium Unit all assessments due the Association have been paid.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real property which initially is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration is the real property described in Exhibit A attached hereto, the easement described in Exhibit C and the real property described in Exhibit D.

Section 2. Planned Future Additions. Additional real property within the area described in Exhibit B may be added to Forbes Park by Declarant without the consent of the Members within ten (10) years of the date of this Declaration provided that such addition is in accord with the general plan of development of Forbes Park.

Section 3. Other Additions. Real property not described in Exhibit B may be added to Forbes Park by the affirmative vote of not less than two-thirds (2/3) of each class of Voting Members of the Association.

Section 4. Additions: Effect. The additions herein described may be made by the execution and recording of a supplemental declaration describing the real property constituting the addition and containing an appropriate reference to this Declaration, whereupon, the provisions of this Declaration shall become applicable to such real property in all respects as if this Declaration had included such real property from the beginning. provided, however, that nothing herein contained shall subject such additional real property to assessments for the years prior to the year of addition.

ARTICLE III

FORBES PARK LAND OWNERS ASSOCIATION

Section 1. Organization. The Forbes Park land Owners Association is a Colorado nonprofit corporation created for the purposes, charged with the duties and invested with the powers prescribed by law or set forth in its Articles of Incorporation, Bylaws and in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted except in accordance with this Declaration.

Section 2. Duties of the Association. The Association shall have and perform each of the following duties for the benefit of its Members:

- (a) To accept, own, operate and maintain all Association Property, which may be conveyed or leased to *it* by Declarant or Forbes, together with all Improvements of whatever kind and for whatever purpose which may be located thereon.
- (b) To pay over or convey, upon dissolution of the Association, the assets of the Association to one or more exempt organizations of the kind described in Section 501(c) of the Internal Revenue Code of 1954, as amended from time to time.
- (c) To maintain in good repair and condition the Common Areas and all Improvements and facilities now or hereafter located thereon and all interior and access roads and railroad grade crossings and culverts on such roads, unless such access roads, railroad grade crossings and culverts are maintained by a governmental authority.
- (d) To pay all real and personal property taxes and other taxes and assessments levied upon or with respect to Association Property. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.
- (e) To obtain and maintain in effect policies of insurance adequate, in the opinion of the Board, in kind and amount. Without limiting the generality of the preceding sentence, such policies of insurance shall include fire and extended coverage insurance on all Improvements, bodily injury and property damage liability insurance, workmen's compensation insurance and such other insurance, including indemnity and other bonds, as the Board shall deem necessary.
- (f) To make, establish, promulgate, and in its discretion to amend or repeal and reenact, such rules and regulations, not in contradiction of this Declaration, as *it* deems proper covering any and all aspects of its functions, including the use and occupancy of the Common Areas. Each Member shall be entitled to examine such rules and regulations at any time during normal working hours at the principal office of the Association.
- (g) To appoint and remove members of the Environmental Control Committee as provided in Article VII hereof, and to insure that at all reasonable times there is available a duly constituted and appointed Environmental Control Committee.
- (h) To enforce, in its own behalf and in behalf of all Owners, all of the covenants, conditions and restrictions set forth in this Declaration and to perform all other acts, whether or not anywhere expressly authorized, as may be reasonably necessary to enforce any of the provisions of the Environmental Control Committee and the Articles of Incorporation and the Bylaws of the Association.
- (i) To provide an annual audit of the accounts of the Association and to make a copy of such audit available to each Member during normal business hours at the principal office of the Association. Any Member may at any time and at his own expense, cause an audit or inspection to be made of the books and records of the Association by a certified public accountant provided that such audit or inspection is made during normal business hours and without unnecessary interference with the operations of the Association.

ARTICLE IV PROPERTY RIGHTS .

Section 1. Right and Easement of Use and Enjoyment. Powers of Association and Board. Declarant, Forbes and every Owner shall have a right and easement of ingress and egress and of use and enjoyment in and to the Common Areas, including any Improvements and recreational facilities thereon; provided, however, that no Improvements or recreational facilities of any kind shall be placed on the property described in Exhibit C except with the written consent of Declarant. Such right and easement shall be appurtenant to and shall pass with the title to every Lot or Condominium Unit, subject to the following authority and powers of the Association as hereinafter specified:

- (a) The right and power of the Association to levy general and special assessments against all Lots and Condominium Units in Forbes Park in accordance with the provisions of Article VI of this Declaration.
- (b) the right of the Association to suspend any Owner's right and easement of use and enjoyment of the Common Areas and any Improvement or facility thereon (1) for any period during which an assessment against a Lot or Condominium Unit remains unpaid and (2) for a period not to exceed one hundred eighty (180) days for each infraction of the provisions of this Declaration or the rules and regulations of the Association by Owner or an Owner's guest, agent employee or servant
- (c) The right of the Association to charge reasonable admission and other fees for the use of Association Property and Improvements thereon except roads.
- (d) The right of the Association, with Declarants consent to allow the general public, or certain segments thereof, to use all or portions of the properties described in Exhibit C, and, and in the discretion of the Board, to charge use or other fees therefor.
- (e) The right of the Association to make, establish, promulgate, and in its discretion to amend, repeal and reenact, such rules and regulations, not in contradiction of this Declaration, as *it* deems proper covering any and all aspects of its functions, including the use and occupancy of the Common Areas.
- (f) The right of the Association to enter, without being liable to any Owner, upon any Lot or Commercial Lot or onto any Common Area, for the purpose of enforcing by peaceful means the provisions of this Declaration and the restrictions contained herein or for the purpose of maintaining or repairing any area, improvement or other facility, if for any reason whatsoever the Owner thereof fails to maintain or repair any such area as required by this Declaration.
- (g) The right of the Association with respect to Association Property and the right of Declarant with respect to property owned by Declarant and which comprises part of the Common Areas, to use and reserve or to grant and convey to any person real property and interests therein, including fee title, leasehold estate, easements, rights of way, mortgages and deeds of trust out of, in, on, over or under such property for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder:

- (1) Parks, parkways or other recreational facilities;
- (2) Roads, streets, walks, driveways, trails and paths;
- (3) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (4) Sewers, water systems, storm water drainage systems, sprinkler systems and pipelines: and
- (5) Any similar improvements or facilities.

No transfer or dedication of Association properties or properties comprising any part of the Common Areas shall be made for any purposes other than those purposes stated above except with the approval of not less than two-thirds (2/3) of each class of Voting Members. The effect of any transfer or dedication for purposes other than those above-stated shall be the termination of the application of this Declaration to the property transferred.

(h) The right of the Association to provide watchmen, guards or police at points of entry onto Forbes Park and at such other places and for such other purposes as the Board shall determine.

(i) The right of the Association to construct, own, operate, maintain and repair Improvements and all types of facilities for recreation on Association Properties..

(j) The right of the Association to indemnify any person who was or is a party or is threatened to be made a party to any action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee, servant or agent of the Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors who are not parties to such action, suit or proceeding or (2) if such a quorum is not attainable, or, even if obtainable, a quorum of disinterested directors so direct, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee, servant or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, then, to the extent that the Association has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth above.

(k) The right of the Association, if necessary, to include in its annual assessments the costs of compensatory pumping of water to Trinchera Irrigation Company pursuant to that certain Decree of the District Court in and for Water Division No.3, State of Colorado, Case No. W-3312, recorded April 10, 1975 in the Costilla County records under Reception No. 122836.

Section 2. Unaccompanied Guests. An Owner or Dependent or the person in charge of the entry gate to Forbes Park shall have the authority to issue permits to Unaccompanied Guests authorizing their entry to Forbes Park for the purpose of visiting a specific Lot or Lots in Forbes Park. An Owner or Dependent may authorize such visitation only to a lot or Lots owned by such Owner. Such permits shall be dated and shall cover a period of not more than twenty-four (24) hours. Unaccompanied Guests shall use only those roads in Forbes Park which provide the most direct route from the entry gate to a specified Lot or dwelling.

Section 3. Tenancies. An Owner may lease or rent his Condominium Unit or Lot to one Person provided such Lot contains a dwelling house, and provided such tenancies are not created more frequently than once every two (2) weeks. A tenant shall have the same rights as an Owner to the use of the Common Areas. The Association shall be given written notice of all tenancies.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner and Declarant shall be a Member of the Association. If any property interest is held jointly or in common, the owners of such interest shall, at the time of purchase, designate for the Association one address to which all notices; to such joint or common owners shall be sent No property interest may be initially acquired jointly or in common by more than four (4) persons and such four (4) persons shall not represent more than two (2) households.

Section 2. Classes of Membership: Voting Rights. The Association shall have Class A, Class B and Class C memberships as follows:

Class A.

Each Owner of a Lot, Commercial Lot or Condominium Unit other than Declarant shall be a Class A Member and shall be entitled to one (1) vote for each Lot owned and one (1) vote for each Condominium Unit owned on a Commercial Lot, on which all assessments due the Association have been paid:

Class B.

Declarant shall be a Class B Member and shall be entitled to one (1) vote for each Lot owned. Declarant's Class B membership shall cease and be converted to Class C membership as to all Lots then owned by Declarant on the occurrence of either of the following events:

- (a) When the total votes of the Class A Members in all Units equals or exceeds seventy-five (75%) percent of the total aggregate votes of the Class A and Class B Members in all Units regardless of voting eligibility; or
- (b) Ten (10) years from the date of this Declaration.

Class C.

Declarant shall become a Class C Member upon the occurrence of (a) or (b) above and shall be entitled to one (1) vote for each Lot owned only with respect to any vote to amend those provisions of Articles V or VI of this Declaration which affect Class C membership. Upon the sale of a Lot subject to

Class C membership to an Owner either by fee simple conveyance or by installment sales agreement, the Class C membership for such Lot shall cease and such Owner shall become a Class A Member subject to all the provisions of Class A membership. Once Declarant's Class B membership has been converted to Class C membership, it shall continue to be Class C regardless of any future subdividing of Forbes Park by Declarant or any other event affecting Declarant's ownership of lots or Condominium Units in Forbes Park.

Section 3. Joint or Common Ownership. If any property interest is held jointly or in common by more than one (1) person the vote for such Lot or Condominium Unit shall be cast as a unit and neither fractional votes nor split votes shall be allowed. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the joint or common Owners unless another joint or common Owner shall have delivered to the Secretary of the Association prior to the election a written statement to the effect that the Owner wishing to cast the vote has not been authorized to do so by the other joint or common Owner or Owners. In the event that such joint or common Owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose their right to cast their vote or votes on the matter in Question.

Section 4. Proxies. A Member may cast an eligible vote in person or by proxy at any meeting of the Members.

Section 5. Cumulative Voting. The cumulative system of voting shall not be used for any purpose.

ARTICLE VI

ASSESSMENTS

Section 1. Levy of Assessments and Lien. The Association shall have the right to levy and collect general and special assessments in accordance with the provisions of this Article VI against all Condominium Units and against all Lots in a Unit in which one or more of the lots in such Unit is owned under a Class A membership; provided, however, that no general or special assessment shall be levied against any lot which is owned by Declarant under a Class C membership. No person shall be personally liable for any assessment however, the annual and special assessments, together with interest, costs of collecting the same, and reasonable legal fees, shall be a charge on each Lot or on each Condominium Unit and shall be a continuing lien on each such lot or Condominium Unit upon which each such assessment is made. Such lien shall be prior to any declaration of homestead. However, the obligation for prior or delinquent assessments shall not pass to Declarant if Declarant regains possession of a Lot previously sold by installment sales agreement. If Declarant regains possession of such lot, all prior assessments and! or liens shall immediately cease and be extinguished.

Section 2. Purpose of Assessments. All amounts realized from assessments levied by the Association shall be used as determined by the Board for any lawful purpose consistent with this Declaration and the Articles of Incorporation and Bylaws of the Association, including, but not by way of limitation, the following (a) to promote the recreation, health, safety, and welfare of the Members; (b) for the restoration, improvement, and maintenance of the Common Areas; (c) for all services, equipment and facilities relating to the use and enjoyment thereof, including the operation of an entrance gate; and (d) for the payment of taxes, insurance and other costs and expenses on Association Properties.

Section 3. Maximum Annual Assessment. Until October 1, 1977, the maximum annual assessment shall be \$50.00 per lot and \$50.00 per Condominium Unit. Thereafter such annual assessments may be increased or decreased as follows:

- (a) From and after October 1, 1977, the maximum annual assessment may be increased or decreased once each Fiscal Year by not more than ten (10%) percent above or below the assessment for the preceding Fiscal Year by action of the Board and without a vote of the membership;
- (b) From and after October 1, 1977, the maximum annual assessment may be increased or decreased annually by more than ten (10%) percent above or below the assessment for the preceding Fiscal Year by the affirmative vote of not less than two-thirds (2/3) of the eligible votes of each of the Class A and Class B Members voting in person or by proxy at the annual meeting or at a special meeting called for that purpose;
- (c) Neither the Association nor its Board may increase or decrease the annual assessment except as provided above.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any Fiscal Year, a special assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of Improvements on Association Properties, including fixtures and personal property related thereto, provided, however, that all special assessments shall be approved by the affirmative vote of not less than two-thirds (2/3) of the votes of each of the Class A and Class B Voting Members voting in person or by proxy at the annual meeting or at a meeting called for that purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4 Written notice of the time and location of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 of this Article shall be sent not less than thirty (30) days nor more than sixty (60) days in advance of the meeting to all Class A and Class B Voting Members eligible to vote as of the date of the notice. At the first meeting called, Voting Members present in person or by proxy entitled to cast sixty (60%) percent of the votes of each of the Class A and Class B Members shall constitute a quorum. If the required quorum is not present another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at the same amount for each Lot and Condominium Unit subject to assessment regardless of lot or Condominium Unit size, price or value. Annual assessments and special assessments, if any, may be collected on a semi-annual or annual basis as set by the Board.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessment for all Lots in a Unit shall commence on the first day of October following the sale of the first lot in such Unit to a Class A Member, either by fee simple conveyance or installment sales agreement however, the assessment for the first full Fiscal Year following the date of sale of a Lot to a Class A Member shall be paid by Declarant. Assessments for subsequent years shall be paid by the Owner of such lot. Declarant shall pay the assessments on all Lots which it owns as a Class B Member. For each

Condominium Unit owned by a Class A Member the annual assessment shall commence on the first day of October following the recording of the Declaration for such Condominium in the real property records of Costilla County, Colorado, and shall be paid by Owner.

The annual assessment shall be paid in advance. The Board shall fix the amount of the annual assessment on each lot or Condominium Unit for the next Fiscal Year at the annual meeting. The due date for the annual assessment shall be October 1 of the Fiscal Year for which the assessment is made unless the Board determines that such annual assessment shall be collected on a semi-annual basis, in which event the due dates shall be set by the Board.

Written notice of the amount of the annual assessment shall be sent to every Member subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot or Condominium Unit have been paid.

Section 8. Date of Commencement of Special Assessments. Any special assessments under Section 4 of this Article VI shall be applicable only to those lots and Condominium Units subject to the obligation for annual assessments on the first day of October of the Fiscal Year in which such special assessment is levied. The due date of any special assessment under Section 4 hereof shall be fixed in the resolution authorizing such special assessment

Section 9. . Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within sixty (60) days after the due date shall be delinquent and shall bear interest from the due date at the rate of ten (10%) percent per annum. The Association may, if any assessment remains delinquent for ninety (90) days, foreclose the lien against the property in the same manner as is provided in the laws of Colorado for the foreclosure of mortgages on real property. No lot or Condominium Unit shall be exempt from liability for the assessments provided for herein because of a Member's non-use of the Common Areas.

Section 10. Mortgage Protection. Notwithstanding any other provisions of this Declaration, no lien created under this Article VI or under any other article of this Declaration; nor any lien arising by reason of any breach of this Declaration, nor the enforcement of any provision of this Declaration or of any supplemental declaration shall defeat or render invalid the rights of the beneficiary under any recorded mortgage or deed of trust of first and senior priority now or hereafter upon a lot or Condominium Unit made in good faith and for value. However, after the foreclosure of any such mortgage or deed of trust or after any conveyance in lieu of foreclosure, such lot or Condominium Unit shall remain subject to this Declaration and shall be liable for all regular annual assessments and all special assessments levied subsequent to completion of such foreclosure-or delivery of such conveyance in lieu of foreclosure, and to all installments of all regular annual and special assessments levied prior to completion of such foreclosure or delivery of such conveyance, but falling due after such completion or such delivery. Sale or transfer of any lot or Condominium Unit will not affect or extinguish the assessment lien; however, the repossession of any lot pursuant to delinquency or default under an installment sales agreement with Declarant shall extinguish the lien of such assessments as to payments, penalties or interest which became due prior to such repossession. No such repossession shall relieve such lot from liabilities for any assessments thereafter becoming due on the next October 1 assessment date or the lien thereof unless such lot has become subject to a Class C membership.

No amendment of this Section 10 shall affect the rights of any mortgagee or beneficiary of any deed of trust or mortgage whose mortgage or deed of trust has the first and senior priority as above provided and who does not join in the execution of any such amendment provided that his mortgage or deed of trust is recorded in the real property records of Costilla County, Colorado, prior to the recordation of such amendment provided, however, that after foreclosure or conveyance in lieu of foreclosure, the property which was subject to such mortgage or deed of trust shall be subject to such amendment

Section 11. Subordination. By subordination agreements executed by the Association, the benefits of preceding Section 10 may, in the sole and absolute discretion of the Board, be extended to beneficiaries not otherwise entitled thereto.

ARTICLE VII

ENVIRONMENTAL CONTROL COMMITTEE

Section 1. Creation of Environmental Control Committee. There shall be an Environmental Control Committee consisting of three (3) persons appointed by the Board to exercise the controls and powers assigned it in this Declaration.

Section 2. Committee Control of Plans and Specifications. Excepting any prior or future construction by Declarant or Forbes, no Improvements shall be commenced, installed, built or erected upon a lot nor shall any exterior addition to or change or alteration thereon be made until all Plans and Specifications shall have been submitted to and approved by the Committee. The Committee shall consider and act upon any and all Plans and Specifications submitted for its approval pursuant to this Declaration, and perform such other duties assigned to it by this Declaration or as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with Plans and Specifications approved by the Committee. The Committee shall approve Plans and Specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area or Forbes Park as a whole, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of Plans and Specifications on such changes therein as it deems appropriate and may require submission of additional Plans and Specifications or other information prior to approving or disapproving the materials submitted. The Committee may also issue rules or guidelines regarding anything relevant to its function, including but not limited to minimum standards and procedures for the submission of Plans and Specifications for approval. The Committee may require such detail in Plans and Specifications submitted for its review and such other information as it deems proper. Until receipt by the Committee of all required Plans and Specifications and other information, the Committee may postpone review of anything submitted for approval. In the event the Committee fails to notify a Member of its approval or disapproval of such plans and specifications in writing by certified mail within sixty (60) days after all Plans and Specifications and any other required information has been submitted to it, either in person or by certified mail, approval of the Committee shall be deemed to have been fully obtained.

Section 3. No Waiver of Future Approval. The approval or consent of the Committee to any Plans or Specifications for any work done or proposed or in connection with any other matter requiring the approval or consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any Plans or Specifications or other matter whatever subsequently or additionally submitted for approval or consent by the same or a different Owner.

Section 4. Reimbursement of Member. The members of the Committee shall be entitled to reimbursement for expenses incurred by them in the performance of their duties hereunder.

Section 5. Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time by resolution unanimously adopted in writing designate one of its members to take any action or perform any duties for and on behalf of the Committee, except the granting of variances. In the absence of such designation, the vote of a majority of all of the members of the Committee, or the written consent of a majority of all of the members of the Committee taken without a meeting shall constitute an act of the Committee.

Section 6. Inspection of Work Upon the completion of any Improvement for which approved Plans or Specifications are required under this Declaration the Owner shall give written notice of completion to the Committee. Within such reasonable time as the Committee may set in its rules, but not to exceed fifteen (15) days thereafter, the Committee or its duly authorized representative may inspect such Improvement. If the Committee finds that such work was not done in strict compliance with all approved Plans and Specifications submitted or required to be submitted for its prior approval, it shall notify the Owner in writing of such noncompliance within such period, specifying in reasonable detail the particulars of noncompliance and shall require the Owner to remedy the same. If upon the expiration of thirty (30) days from the date of such notification the Owner shall have failed to remedy such noncompliance, the Committee shall notify the Board in writing of such failure. Upon notice and hearing the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board's ruling. If the Owner does not comply with the Board's ruling within such period, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance, and the Owner shall reimburse the Association upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy an assessment against such Owner and the Improvement in question and the land on which the same is situated for reimbursement and the same shall constitute a lien upon such land and Improvement and be enforced as in this Declaration provided. The Committee may inspect all work in progress and give notice of noncompliance as provided above. If the Owner denies that such noncompliance exists, the procedures set out above shall be followed, except that no further work shall be done, pending resolution of the dispute, which would hamper correction of the noncompliance if the Board shall find that such noncompliance exists.

Section 7. Non-Liability of Committee Members. Neither the Committee nor any member thereof nor the Board nor any member thereof shall be liable to the Association or to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's or the Board's respective duties under this Declaration unless due to the willful misconduct or bad faith of the Committee or its member or the Board or its member as the case may be. Except insofar as its duties may be extended with respect to a particular area by the Association, the Committee shall review and approve or disapprove all Plans and Specifications submitted to it for any proposed Improvement, including the construction, alteration or addition thereof or thereto, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the surrounding area and Forbes Park generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, exterior finishes and materials and similar features, but shall not be responsible for reviewing nor shall its approval of any Plans and Specifications be deemed approval thereof from the standpoint of structural safety, engineering soundness or conformance with building or other codes.

Section 8. Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, setbacks, colors, materials or similar restrictions when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental consideration may, in its sole and absolute discretion, warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all of the members of the Committee. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

Section 9. Obligations with Respect to Zoning and Subdivisions. The Committee shall require all persons to comply fully with the zoning ordinances and subdivision regulations, if any, of Costilla County, Colorado, insofar as the same are applicable and as they may hereafter be amended.

Section 10. Committee Control of Contractors; Committee Power to Grant Temporary Ingress and Egress. The Committee shall have the power to approve or disapprove any Contractor to be used for any of the purposes approved in Section 2 above, provided, however, that the Committee shall only disapprove a Contractor for a reasonable cause stated in writing. The Committee shall approve or disapprove a Contractor in writing within seven (7) days of the time the Committee is informed of the contractor's identity.

The Committee shall have the power to grant temporary licenses permitting ingress and egress over specified roads in Forbes Park to a Contractor and shall only grant such licenses to a Contractor for a specific period of time. The Committee may withdraw such licenses at any time such Contractor (a) uses nonspecified roads, (b) does not diligently pursue the work to be done, or (c) violates any of the Protective Covenants hereinafter set forth.

Section 11. Committee Control of Camping. The Committee shall have the power to grant camping privileges on a Lot to an Owner or Dependent for nonconsecutive periods of time of up to three (3) weeks in length, provided the Owner or Dependent applies to the Committee either in writing or in person and satisfies the Committee that the Lot to be so used will not be left littered with trash or waste and that such camping will not create a fire hazard to such Lot or to Forbes Park as a whole.

Section 12. Other Committee Powers. The Committee shall have the power to approve, control, permit, license and regulate such other activities and matters as the Board may from time to time determine.

ARTICLE VIII
PROTECTIVE COVENANTS

The following restrictions, conditions and covenants, collectively called "Protective Covenants", are imposed upon all the Lots, Condominium Units where applicable, and Common Areas without limiting or altering the provisions of Article VII:

(a) Any tank for the storage of gas or liquid shall be hidden from the view of other Lots and the Common Area.

(b) No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept in Forbes Park. No animals of any kind shall be raised, bred or kept in Forbes Park except reasonable numbers of dogs, cats or other ordinary household pets. No poultry may be kept in Forbes Park. No dog shall be allowed to run loose except when accompanied by a person capable of keeping such dog under surveillance and control.

(c) All refuse, rubbish, trash, garbage or waste shall be kept, disposed of or removed in a sanitary manner. All household refuse and rubbish, trash, garbage or waste shall be kept in closed containers inside a building or other approved enclosure until taken to a disposal place operated or licensed by the proper public authority for such disposal. Nonhousehold refuse, rubbish, trash, garbage or waste, other than dead leaves and fallen limbs shall not be permitted to remain exposed on a Lot

(d) Any vehicle, whether selfpropelled or not permitted to remain on any Lot or Common Area shall be kept in a licensed and operable condition. Any vehicle, whether selfpropelled or not shall be parked in such a manner that it is not a nuisance, aesthetically or otherwise, to other Members. A truck larger than three-quarter (3/4) ton rating shall only be kept on a Lot inside an approved building except during any period of authorized construction. A vehicle shall not be parked on that part of any road normally used by vehicles being driven on such road. The provisions of this paragraph shall not apply to Declarant during time of construction of roads.

(e) Noxious, obnoxious, noisy, unsightly or otherwise offensive objects or activities, specifically including vehicle repairs, barking dogs and littering shall not be permitted nor shall anything be permitted that may be an unreasonable annoyance or nuisance to other Owners.

(f) A professional quality sign of not more than four (4) square feet in area shall be allowed to be displayed on a Lot for any purpose and one (1) additional sign of not more than four (4) square feet in area shall be allowed to be displayed for advertising such Lot or improvement thereon for sale, lease or rent .

(g) A structure of a temporary or mobile nature, motorhome, mobile home, camper truck, travel trailer, camping trailer, other vehicle used or designed for camping, or tent shall not be placed on a Lot for more than three (3) consecutive nights and days more than once each calendar month except that the Committee may grant a permit (1) for any of the above to be placed on a Lot and used for longer periods of time during construction of a dwelling, diligently pursued, or, (2) for vacation camping under the conditions and procedures provided in Article VII hereof. Subject to the prior written approval of Declarant with respect to the real property described in Exhibit C, the Board may designate a part of the Common Area as a storage area for all vehicles that are prohibited from being placed on a Lot

(h) All septic systems operated with water from wells drilled under permits obtained pursuant to the Decree of the District Court in and for Water Division No.3, State of Colorado, Case No. W-3312, shall be limited to sewage disposed of by septic tank and absorption fields, the effluent of which shall return to groundwater in the drainage basins in which such wells are located. Said absorption fields and septic tank installations shall be constructed in conformance with the standards and requirements of state and county health authorities. Notwithstanding the foregoing requirements, the Committee may approve an evaporative field septic system if the construction of a septic tank and absorption field would cause a hardship in any particular situation and if the Committee is permitted to do so under a modification of the Decree in Case No. W-3312.

(i) No outdoor fire shall be made in a facility or a receptacle having a properly operating spark screen. All fireplaces whether inside a building or outdoors shall have an operational approved spark screen covering the top of the chimney. Any condition which creates a fire hazard shall not be permitted on a Lot

(j) No single-family residence or Condominium Unit, exclusive of open porches, garages and carports, shall be less than six hundred (600) square feet in main floor area. No more than one (1) single-family residence plus appropriate ancillary buildings may be erected on a Lot not designated a Commercial Lot. No commune, cooperative or similar type living arrangement shall be permitted anywhere in Forbes Park.

(k) All water derived from wells permitted by the State Engineer of the State of Colorado pursuant to the provisions of the Decree of the District Court in and for Water Division No.3, State of Colorado, in Case No. W-3312, shall be used for domestic in-house use only.

(l) No commercial enterprise shall be operated other than on a Commercial Lot.

(m) Building materials shall not be placed on a Lot nor shall foundation work be started for any Improvement unless such Improvement has previously been approved by the Committee. Once approval is obtained, such Improvement must be completed within twelve (12) months after building materials are first placed on such Lot or foundation work is begun.

(n) A wire fence shall not be permitted on a Lot except one such fence enclosing not more than 1600 square feet for the purpose of enclosing household pets.

(o) Hunting shall not be permitted.

(p) Firearms, explosives, fireworks or arrows shall not be used, shot or discharged except in such areas as may be designated by the Association for such use, shooting or discharging.

(q) Explosives shall not be used for construction purposes unless such use has been approved by the Committee.

- (r) Excessively noisy vehicles of any kind, all-terrain vehicles, trail-bikes, helicopters, aircraft or motorcycles shall not be used anywhere in Forbes Park.
- (s) Chain saws shall not be used without a proper spark arrester on the exhaust and chain saws or other noisy equipment shall not be operated before 8:00 A.M. or after 5:00 P.M.
- (q) All telephone, electrical power, and other receiving or transmission lines shall be placed underground except that such lines on poles shall be permitted (1) in the case of major lines to areas of Forbes Park as Declarant deems appropriate and (2) where the Committee determines underground lines are unreasonably expensive or otherwise impractical.
- (u) Existing tree lines on all lots and Commercial lots shall not be disturbed or altered and, wherever practicable, all improvements shall be placed a reasonable distance behind such tree lines as determined by the Committee.
- (v) Any tree having a diameter at the base greater than four (4) inches shall not be cut down without prior approval of the Committee.
- (w) A lot shall not be subdivided or partially leased except a Commercial lot owned by Declarant
- (x) Snowmobiles shall not be operated except in transit to or from such parts of the Common Areas as the Association and Declarant may from time to time designate as snowmobiling areas.
- (y) Any vehicle requiring its operator to have an operator's license under the laws of the *State of Colorado* shall be operated only by a person having a valid operator's license.
- (z) All improvements shall be maintained in such a manner that they do not become (1) unsightly, (2) in disrepair, (3) unsanitary or (4) a fire hazard.
- (aa) No guest house, garage, carport or other outbuilding shall be constructed on any lot until after commencement of construction of the dwelling house on the same lot

ARTICLE IX GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Board or any Member at his own expense, shall have the right to enforce, by any proceeding at law or in equity, the following (a) all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of this Declaration; and (b) all rights, conditions, and obligations of the easement for recreational use set forth in Exhibit C. Any monies received by any Member from any other Member or former Member on account of assessments levied by the Association, less all reasonable enforcement costs, shall be paid by such enforcing Member to the Association. Failure by the Association or by any Member to enforce any provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Violation a. Nuisance. Every act or omission whereby any provision of this Declaration or any rules and regulations promulgated by the Association or the Committee is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Member, at his own expense, or by the Board.

Section 3. Severability. Invalidation of anyone of the provisions of this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect

Section 4. Life of Declaration. The covenants and restrictions of this Declaration, as they may be amended from time to time, shall run with and bind the property now or hereafter subjected to this Declaration for a term of ten (10) years from the date of this Declaration, after which time they shall be automatically extended for successive periods of ten (10) years, unless extinguished by a written instrument executed by at least three-fourths (3/4) of both the Class A and Class B Members of the Association and recorded in the Costilla County, Colorado, real property records.

Section 5. Amendments. This Declaration may be amended, except as it relates to the rights of a Class C Member as provided in Articles V and VI hereof, during the first ten-year period by an affirmative vote of not less than two-thirds (2/3) of the votes of each of the Class A and Class B Voting Members, and thereafter by an affirmative vote of at least two-thirds (2/3) of the votes of the Class A Voting Members. This Declaration may be amended as it relates to the rights of a Class C Member in Articles V and VI by the affirmative vote of not less than two-thirds (2/3) of the votes of each of the Class A and Class B Voting Members and of the Class C Member. All amendments shall be recorded.

Section 6. Notices. Any notice permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (including Sundays or holidays) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices, or to the residence of such Person if no address has been given to the Association. Such address may be changed from time to time, by notice in writing given by such Person to the Association.

Section 7. Nondiscrimination Between Classes. Except as to voting rights and assessments, there shall be no discrimination between classes of membership and no amendment shall alter this nondiscrimination provision.

ARTICLE X

OTHER PROVISIONS WITH RESPECT TO DECLARANT

Section 1. Lot Sales and Sales Models. Notwithstanding any provisions to the contrary herein contained, Declarant shall be allowed to show and sell Lots and use Lots designated by it as sales models, conducting thereon usual sales activities for a period of ten (10) years from the date hereof. In addition, Declarant may maintain for said period such signs as may be required, in Declarant's discretion, to advertise Lots for sale.

Section 2. Construction Work. Notwithstanding any provision to the contrary herein contained, Declarant shall be entitled to conduct development and construction activities even though such activities would otherwise be in violation of this Declaration.

Section 3. Recreational Facilities. At anytime, and from time to time hereafter, the Declarant may, in its sole discretion, convey or lease to the Association if acceptable to the Association, all or some of the recreational and other facilities which it may now or hereafter own. Such facilities shall be transferred to the Association as is and free of charge and shall be deemed to be a part of the Common Areas and shall be administered as such by the Association.

IN WITNESS WHEREOF, this Declaration has been executed the day and year first above written.

Sangre de Cristo Ranches, Inc

(SEAL)

By: s/Leonard H. Yablon
President

ATTEST: s/Leonard Greenberg
Assistant Secretary

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 11th day of March, 1976, by Leonard H. Yablon, as President, and Leonard Greenberg, as assistant Secretary, of Sangre de Cristo Ranches Inc., a Colorado corporation.

Witness my hand and official seal

My Commission expires 3/30/77

(SEAL)

s/Samuel Karen
Notary Public

Samuel Karen
Notary Public, State of New York
No. 24-2035490
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1977

EXHIBIT A

All properties included w~ the official plats of Units A.1, A.2, B.1, B-2, C.1, C.2, D-1, D-2, E-1, E.2, f1, f2 and G-1 Subdivisions of Forbes Park, as filed in Costilla County, Colorado.

EXHIBIT B

(Omitted)

EXHIBIT C
EASEMENT

Sangre de Cristo Ranches Inc., a Colorado corporation ("Grantor"), hereby sells and conveys to Forbes Park Land Owners Association, a Colorado non-profit corporation ("Association"), a perpetual nonexclusive easement over, across and upon the lands described in Schedule A attached hereto and made a part hereof (hereinafter referred to as "said lands"), for the uses and purposes and subject to the terms, conditions, restrictions and reservations hereinafter set forth and set forth in the Declaration of Covenants, Conditions And Restrictions for Forbes Park, Costilla County, Colorado (hereinafter referred to as the "Declaration"), as the same may be amended from time to time, which Declaration is recorded in Costilla County Colorado.

1. The Easement hereby granted is for the use and benefit of all Owners (and Dependents) of Lots and Condominium Units in Forbes Park.
2. Said lands shall be used only for recreational and related activities and uses including, but not by way of limitation, hiking, horseback riding, fishing, swimming, canoeing, sailing, non-power boating, skiing, picnicking and bicycling
3. All uses and activities on said land for the foregoing purposes shall be subject to the following conditions, restrictions and reservations:
 - (a) Grantor reserves to itself the right to graze and feed livestock on said lands and to build fences and corrals and construct other buildings and facilities on said lands as the same may be necessary or desirable in connection with such cattle grazing and feeding operations.
 - (b) Neither the Association nor any person entitled to the use of said lands shall do any acts or things which would interfere with or disturb Grantor's use of such lands.
 - (c) No motorized vehicles of any kind shall enter or be used on said lands without the prior written approval of Grantor except that Grantor may use motorized vehicles on said lands in connection with its livestock operations.
 - (d) No hunting of any kind shall be permitted on said lands.
 - (e) The wildlife on said lands shall not be molested or disturbed and the Association shall cooperate with and assist Grantor in maintaining said lands as a habitat for wildlife.
 - (f) No firearms shall be carried and no explosives, including fireworks, shall be discharged on said lands except in such areas as Grantor may designate from time to time for such purposes.
 - (g) No camping or similar type activity shall be permitted on said lands without the prior written permission of Grantor.
 - (h) No fires shall be permitted on said lands except in areas designated by Grantor; provided, however, that Grantor may prohibit, by posting of notice, all fires on said lands during those periods of time which, in Grantor's discretion, a high fire risk potential exists. During such periods of high fire risk potential, no smoking shall be permitted on said lands.
 - (i) The fences, trees, shrubs and other vegetation on said lands shall not be broken, cut down, damaged or destroyed except by Grantor.
 - (j) No littering or trash or garbage disposal shall be permitted on said lands.
 - (k) The lakes and streams on said lands shall not be dammed, diverted, altered or obstructed in any way nor shall any dam or other water control device be tampered with, changed or obstructed except by Grantor.
 - (l) No Improvements shall be placed or constructed on said lands without the prior written consent of Grantor except those buildings and facilities placed thereon in connection with Grantor's livestock grazing and feeding operations.
4. Grantor may make such additions to said lands as Grantor, in its sole discretion, deems desirable in accordance with the provisions of the Declaration and all such additions shall be subject to the terms, conditions, restrictions and reservations contained herein and in the Declaration. Grantor may, at any time and from time to time, convey all or portions of said lands to the Association in fee simple and, in such event the lands thus conveyed shall become Association Property.
5. This Easement is granted by Grantor subject to all existing easements and rights of way.
6. The definitions contained in the Declaration shall apply to the words and terms contained in this Easement to the extent that any words or terms used herein are defined in such Declaration.

Executed as of the 11th day of March, 1976

SANGRE de CRISTO RANCHES INC.
A Colorado Corporation

By s/Leonard H. Yablon
President

ATTEST:

s/Leonard Greenberg
Assistant Secretary
STATE OF NEW YORK) ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 11th day of March, 1976 by Leonard H. Yablon, as President, and Leonard Greenberg as Asst. Secretary, of Sangre de Cristo Ranches Inc., a Colorado Corporation.

Witness my hand and official seal.

s/Samuel Karen
Notary Public

(Notarial Stamp)

SCHEDULE A

Tracts 1 and 2, as shown on the official plat of Area I of Common Area Tracts, Forbes Park; Tracts 5 to 14, inclusive, as shown on the official plat of Area " of Common Area Tracts, Forbes Park; Tracts 15 to 21, inclusive, as shown on the official plat of Area III of Common Area Tracts, Forbes Park; Tracts 22, 23 and 25 to 29, inclusive, as shown on the official plat of Area IV of Common Area Tracts, Forbes Park; as filed in Costilla County, Colorado, and those parcels of land described as follows:

(Omitted)

EXHIBIT D

Tract 3 as shown on the official plat of Area I of Common Area Tracts, Forbes Park; Tract 4, as shown on the official plat of Area II of Common Area Tracts, Forbes Park; Tract 24, as shown on the official plat of Area IV of Common Area Tracts, Forbes Park; as filed in Costilla County, Colorado.

Forbes Park Land Owners Association
Enforcement of Covenants and Rules Including Notice of Hearings,
Procedures, Conflict Resolution and Schedule of Fines

Pursuant to
38-33.8 -209.5 of the Colorado Common Interest Owner Association,
SB 05 100 Adopted 06/06/2005

FPLOA Policy 4

Purpose

To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill SB 05 100, and to promote the responsible governance of Forbes Park, the following Rules and Regulations are adopted.

Effective Date

January 1, 2006

Authority

The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, Costilla County, Colorado, the Articles of Incorporation of Forbes Park Land Owners Association, and the Bylaws of Forbes Park hereby enacts the following regulations.

Scope

These regulations pertain and apply only to the following:

- a. The Protective Covenants stated in Article VIII of the Covenants, Conditions and Restrictions for Forbes Park
- b. All existing and future Rules and Regulations adopted by the Board for the governance of Forbes Park

This regulation does not pertain or apply to any activity governed by the laws of Costilla County, Colorado, The State of Colorado, or The United States. In the event of any conflict between this regulation and any law of the above mentioned governing entities, the applicable law of the entities shall govern.

Procedure

The Environmental Control Committee is charged with the investigation of alleged violations of the Declaration of Covenants, Conditions and Restrictions, Rules and Regulations, and By-Laws of the Association as prescribed by the Board of Directors of Forbes Park Land Owners Association. The Board of Directors will appoint a Conflict Resolution Committee to review any unresolved, alleged violation and recommend to the Board of Directors a fine or other actions. The Board of Directors will not impose a fine or infringe upon any other right of a landowner for any violations of the Declaration of the Covenants, Conditions and Restrictions, Rules and Regulations and the By-Laws of the Association unless and until the following procedures are completed:

1. When an alleged violation is reported in writing¹ using an approved complaint form, the ECC Chairman will initiate an investigation. The complaint form and all other formal

¹ *The Forbes Park Land Owners Association does not condone or encourage anyone to enter another's property for the detection or correction of infractions unless specifically authorized to do so except where immediate fire hazards are evident.*

written correspondence will be filed with the Park Manager and logged in the ECC correspondence log. Considering any hardship that may exist, the ECC shall use all reasonable means to resolve the complaint without formal action. If these efforts do not resolve the complaint, then the landowner will be sent a courtesy letter outlining the infraction, and the landowner will be given an opportunity to correct the violation within a specified period of time - normally not more than forty five (45) days.

2. After due efforts to resolve the issue have been exhausted, the ECC shall recommend a penalty on the landowner based on the schedule shown below. The notification letter to the landowner will include the following: a) if time is extended to correct infraction, time limit and action to be taken, b) if alternative solutions –description of the alternative solutions and time period to comply, c) if privileges are suspended, what privileges and the time period, d) if monetary penalties are imposed, the amount and the time allowed for payment. If these actions are successful, a letter of resolution will be sent to all parties involved documenting the resolution.
3. All landowners have the right to appeal the imposed penalty. The appeal must be filed in writing with the Park Manager within thirty (30) days of the date of the penalty notification letter.
4. Should there be an appeal, the Conflict Resolution Committee shall review all information regarding the alleged violation, conduct a hearing with all parties involved and recommend a solution. This hearing may be held in the park, or by telephone or other teleconferencing methods. The landowner and representatives of the ECC may produce any and all evidence pertaining to the alleged infraction. Supporting witnesses may attend the hearing. With timely notification to the Conflict Resolution Committee, the owner may be accompanied by counsel.
5. The recommendation shall be made in a reasonable time. The Conflict Resolution Committee may dismiss any or all charges, extend time to correct the infraction, suggest alternative solutions, suggest suspension of privileges, impose monetary penalties, or a combination of any of these options.
6. Either party has the right to appeal the decision of the Conflict Resolution Committee. The appeal must be filed with the Board of Directors within thirty (30) days of the rendered decision. The appeal shall be sent to the Board of Directors of the Association for review. At its discretion, the Board may set a time for a hearing. If a hearing is to be scheduled, a reasonable time will be set so that the landowner along with witnesses and/or counsel may attend. All interested parties will be heard and a decision will be rendered within a reasonable time by the Board. The Board may dismiss any or all charges, extend time to correct the infraction, suggest alternative solutions, suspend privileges, impose monetary penalties, or a combination of any of these options. The Park Manager will notify all parties by first class mail as to the decision by the Board.
7. A copy of the final disposition letter will be placed in both the landowner's file and in the ECC file. The letter will include the following: a) if time was extended to correct infraction, state completion date and action taken, b) if alternative solutions -state describe the solution and the completion date, c) if privileges are suspended, state what privileges and the time period, d) if monetary penalties are imposed, state the amount and the time allowed for payment.
8. Monetary Penalties are due and payable to Forbes Park Land Owners Association within thirty (30) days after the decision has been rendered. A late fee of \$25.00 and interest shall be assessed on the imposed fines at the rate of 8% APR.

For failure to comply, the Association may require reimbursement for collection costs and reasonable attorney fees and cost incurred as a result of such failure without the necessity of commencing a legal proceeding. All legal means will be used to collect monies due the Association.

9. Fines imposed as the result of complaints filed with ECC or the Park Manager and upheld through the hearing process shall range in amount depending on the severity of each case. Those dealing with danger to human life, destruction of property owned by the Association, destruction of private property, including cutting trees on another landowner's property without proper permits, and damage to the environment, shall be dealt with in the most severe manner as prescribed by law. Fines shall be imposed as prescribed by law in the amounts of \$25.00 to \$500.00 and Special Cases could result in fines of \$1000.00.

Daily fines and per-instance or per-item fines will be levied according to, but not limited to, the following schedule:

- Class I fine from \$25.00 to \$100.00
- Class II fine from \$50.00 to \$200.00
- Class III fine from \$200.00 to \$500.00
- Class IV fine from \$500.00 to \$1000.00

Repeat offenders will be reviewed for possible legal action, and, depending on the severity, shall be referred for criminal prosecution.

Amending Schedule of Fines

The Board of Directors of Forbes Park Land Owners Association may modify the Schedule of Fines and the procedures described above in a called public meeting for that and other purposes.

Publication

This and future documents pertaining to compliance with local and state laws will be published in the binder at the Office of the Association, the Bugler, the Official Letter of the Association, and the Forbes Park web site.

Violations of Protective Covenants

The following activities violate the Forbes Park Land Owners Association Declaration of Covenants, Conditions and Restrictions:

Open fires, fire pits without approved screens, hunting, discharging fire arms, including explosives, fireworks and arrows, parking in restricted areas, blocking roadways, improper disposal of sanitary waste, improper trash disposal, riding of ATV's, motorcycles, or motor bikes, tree cutting or the construction of any dwelling without proper permits from the ECC, including the cleaning or clearing of any property within the boundaries of Forbes Park.

In Witness Whereof, the undersigned has executed this Conflict Resolution Policy this _____ day of _____, 2006.

FORBES PARK LAND OWNERS ASSOCIATION

Chairman

SCHEDULE OF FEES

Daily fines:

<i>Fires during fire ban imposed by the county and/or state</i>	<i>\$500.00 and probable criminal prosecution</i>
<i>Open fires and fires without proper spark arresting screens</i>	<i>\$500.00</i>
<i>Disposal of construction material in park trash receptacle</i>	<i>\$500.00</i>
<i>Improper sanitary waste disposal</i>	<i>\$500.00</i>
<i>Purposely damaging the environment</i>	<i>\$500.00 and probable criminal prosecution</i>
<i>Camping without permit</i>	<i>\$ 25.00</i>

Per Instance or Item Fines:

<i>Riding ATV, motor cycles, or motor bikes</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3^d notice, and possible suspension of privileges</i>
<i>Blocking of roadways or parking in restricted areas</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3^d notice, and towed at the owners expense</i>
<i>Camping or camper storage after permit expiration</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3rd notice, and removal at owners expense</i>
<i>Tree cutting without proper permits and coordination with the ECC</i>	<i>Fine may be equal to the commercial value of the tree or trees cut</i>
<i>Initiation of construction of a structure (dwelling, fence, outbuilding, etc.) without proper permits and coordination with the ECC</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3^d notice, and removal at owners expense</i>
<i>Violation of other Protective Covenants listed in Declaration of Covenants, Conditions and Restrictions Article VIII,</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3rd notice, and possible suspension of privileges</i>

Special Cases:

<i>Tree cutting on another bt without landowner written permission and a tree cutting permit</i>	<i>\$1000.00 and referred to the County for criminal prosecution</i>
<i>Causing fire to spread to another property or common lands, or creating a wild fire situation causing fire response to be activated</i>	<i>\$1000.00 and referred to the County for criminal prosecution</i>
<i>Killing of big game wildlife</i>	<i>\$1000.00 and referred to Department of Wildlife for prosecution</i>

BYLAWS OF FORBES PARK LAND OWNERS ASSOCIATION

(a Colorado nonprofit corporation)

ARTICLE I. OFFICES

The principal office of the corporation in the State of Colorado shall be located at Fort Garland, Colorado. The corporation may have such other offices, either within or without the State of Colorado, as the Board of Directors may determine or as the affairs of the corporation may require from time to time. The corporation shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the Colorado Nonprofit Corporation Act.

ARTICLE II. DECLARATIONS

The corporation accepts the terms and provisions of and agrees to observe, obey, and fulfill all the terms, conditions, restrictions, and duties placed on it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, Costilla County, Colorado dated March 11, 1976, and recorded in the Clerk and Recorder's office of Costilla County, Colorado in Book 198 at Page 396 on March 11, 1976 (herein "Declaration"). In order to aid in accomplishment of the purposes of the corporation as expressed in its Articles of Incorporation, and in order to further the purposes expressed in the Declaration, the corporation wishes to express its intent to abide by the terms and provisions of any future supplemental declarations made pursuant to the Declaration, as such supplemental declaration may be made from time to time, and by the terms and provisions of any amendments to said Declaration or supplemental declarations which may be adopted from time to time. Nothing in these Bylaws shall be construed to limit or enlarge any of the provisions or restrictions of the Declaration, or to be in any way in conflict with the terms thereof. The expressed inclusion of or reference to certain provisions of said Declaration in these Bylaws should in no way be construed to limit the binding effect of any of the terms and provisions of said Declarations which are not expressly included or referred to in these Bylaws.

ARTICLE III. MEMBERS

1. Qualification. Members of the corporation shall consist of Sangre de Cristo Ranches Inc. and the owners of lands as set forth in Article V of the Articles of Incorporation. Each person qualifying for membership in the corporation shall automatically become a Member of the corporation without the necessity of any further action on his part, and membership in the corporation may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with the title to said property interest. Any attempt to make a prohibited severance, transfer, pledge mortgage or alienation shall be void.

2. Notification. Any person who may become a Member of the corporation shall give written notice to the Secretary of the corporation that he has become a Member, and shall identify the Lot, Condominium Unit, or other estate which entitled the person to membership. Further, all Members shall give written notice to the Secretary of the corporation of any changes which may occur from time to time in the names, addresses, or ownership information provided the corporation. Neither the corporation nor its officers shall be liable for failing to enter on the membership books of the corporation the name of any Member who fails to provide notice as specified herein or for failing to give such person notice of any meeting of Members or any other notification or information provided or required by the Bylaws or by law.

ARTICLE IV. MEETINGS OF MEMBERS

1. Annual Meeting. There shall be a regular annual meeting of the Members of the corporation on the first Tuesday in July of each year at 2:00 o'clock p.m. Said regular annual meeting may be held at such reasonable place and at such other time as may be designated by written notice of the Board of Directors given to Members not less than thirty nor more than sixty days prior to the date fixed for said regular annual meeting.

2. Special Meetings. Special meeting of the Members may be called at any reasonable time, date and place by written notice by the Board of Directors or upon written request of Members entitled to vote one-fourth of the total votes of the Class A membership or one-fourth of the total votes of the Class B membership, given to all members not less than thirty nor more than sixty days prior to the date fixed for said special meeting.

3. Notices. Notices of all meetings shall be addressed to each Member as his address appears on the books of the corporation and shall state the time, date and place of such meetings and, if a special meeting, the purpose or purposes of such meetings.

4. Closing of Books. Except as otherwise provided in Section 5 of Article VI of the Declaration, the Board of Directors shall close the membership books of the corporation for a period of not less than sixty days nor more than seventy-five days preceding the date of any regular or special meeting of Members, and only those Members who are listed as such on the Membership books on the date when said books are closed are eligible to vote at the meetings of Members. Neither the corporation nor its officers shall be liable in any manner for refusing to permit any person to vote who is not a Member listed on the membership books as of the date of the closing of said books, or who is the duly authorized proxy or attorney-in-fact of such person.
5. Quorum. The presence at any meeting, in person or by proxy, of Members entitled to vote at least one-tenth of the votes of each of the Class A and Class B membership shall constitute a quorum except as otherwise provided in Section 5 or Article VI of the Declaration. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not more than sixty days from the time set for the original meeting.
6. Conduct of Meetings. The Chairman of the Board of Directors, or in his absence the Vice Chairman, shall call meetings of Members to order and act as chairman of such meetings. In the absence of both said officers, any Member entitled to vote thereat or any proxy of any such Member may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the corporation, or in his absence the Assistant Secretary, shall act as secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the manner aforesaid for selecting a chairman of the meeting.
7. Proxies. At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. All proxies shall be filed with the Secretary.
8. Votes of Members. Members shall be entitled to the number of votes which are specified in Article V of the Articles of Incorporation.
9. Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater portion is required by these Bylaws, the Articles of Incorporation or the Declaration.

ARTICLE V. BOARD OF DIRECTORS: NUMBER; TERM OF OFFICE; COMPENSATION

1. Number. The affairs of this Association shall be managed by a Board of five (5) Directors, all of whom shall be Members of this Association.
2. Term of Office. At the first annual meeting of the Members, the Members shall elect one Director for a term of one year, one Director for a term of two years, and one Director for a term of three years; and at each annual meeting of the Members thereafter, the Members shall elect one or more Directors for a term of three years, depending upon the vacancies that will occur at that time. In the event the number of Directors is increased, thus creating one or more vacancies on the Board, the existing Directors shall, by a majority vote, appoint Members to fill such vacancies. Directors so appointed to fill such vacancies shall serve until the next annual meeting in the case of the first appointed Director, the second annual meeting in the case of the second appointed Director, and so forth, so that the terms of office will be properly phased.
3. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of Association duties.

ARTICLE VI. DIRECTORS: NOMINATION; ELECTION; REMOVAL/REPLACEMENT

1. Nomination. Nomination for election to the Board of Directors shall be made: (i) in writing signed by a Member or Members holding at least five votes; (ii) in writing signed by a Director; or (iii) from the floor at the annual meeting by a Member. Written nominations must be agreed to and accepted in writing by the person nominated therein and state that person's willingness to serve if elected and the nomination must be received by the Secretary at least thirty days prior to the meeting at which the election is held. Nominees may be Members or non-Members.
2. Election. Election to the Board shall be by written, secret ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, one vote per Lot or Condominium Unit as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.
3. Removal and/or Replacement. A director may be removed from the Board by a majority vote of the Members, and, in the event of removal, resignation or death of a Director, a successor shall be elected by the remaining

Directors or Director, and if none remain, by a special meeting of the Members. A Director elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

ARTICLE VII. MEETINGS OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board shall be held at least semi-annually at such place and hour as may be fixed from time to time by the Board. Regular meetings of the Board shall be open to Members and at least one hour of each meeting shall be set aside for discussions between Members and the Board. Upon written request of any Member, the Board shall inform such Member of the time and place of the next regular meeting.
2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Board, or by any two Directors, after not less than thirty days notice to each Director. Special meetings of the Board shall be open to Members.
3. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.
4. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business at any regular or special meeting. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

ARTICLE VIII. OFFICERS

1. Officers. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary and President and Treasurer.
2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the first regular meeting of the Board of Directors following the regular annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.
3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgement the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.
- 4.
5. President. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He may sign, with the Secretary or any other proper officer of the corporation, contracts or other instruments which the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
6. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.
7. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article X of these Bylaws; keep proper books of account; cause an annual audit of the corporation's books to be made at the completion of each fiscal year after the first fiscal year; prepare an annual

budget plus a statement of income and expenditures to be presented to the Members at the regular annual meeting; and deliver copies of the annual budget and the statement of income and expenditures to each Member present at the annual meeting of the Association or requesting them in writing; and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

8. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or the Declaration or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep membership books and a register of the post office address of each Member and tenants of Members which shall be furnished to the Secretary by such Member; keep records as to voting qualifications of Members; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

9. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE IX. COMMITTEES: APPOINTMENT; REMOVAL

1. Environmental Control Committee. The Board shall appoint an Environmental Control Committee consisting of three persons, who need not be Members, to serve three-year terms with no two members of the Committee having terms expire in the same year. At least one member of the Committee shall be a permanent resident of Costilla County, Colorado. The Committee shall have the powers and perform the duties set forth in the Declaration, together with such other appropriate duties as the Board may assign to the Committee. Members of the Committee may be removed at any time without cause by the Board of Directors.

2. Other Committees. The Board shall appoint persons to whatever other committees it deems appropriate and may remove any such person or terminate any such committee at the Board's pleasure. Such other committees shall have only such powers and duties as the Board determines.

3. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

4. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE X. CONTRACTS, CHECKS, DEPOSITS, FUNDS AND FISCAL YEAR

1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. Checks, Drafts, etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued on the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the corporation.

3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

4. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

ARTICLE XI. CERTIFICATES OF MEMBERSHIP

1. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates

shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation.. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.

2. Issuance of Certificates. A certificate of membership shall be issued to each person who becomes a Member and who provides the Secretary of the corporation with the information described in Section 2 of Article III of these Bylaws, if the Board of Directors shall have provided of the issuance of certificates of membership under the provisions of Section 1 or this Article XI.

ARTICLE XII. BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors and committees. It shall also keep at its registered or principal office membership books giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE XIII. DUES, FUNDS AND ASSESSMENTS

1. Forbes Park Fund. The Board shall establish a fund (the "Forbes Park Fund") into which shall be deposited all monies paid to the corporation and from which disbursements shall be made in performing the functions of the corporation as provided in the Declaration and in the Article of Incorporation.

2. Regular Annual Assessments. Prior to each regular annual meeting of the corporation of the Board of Directors shall estimate the expenses to be incurred by the corporation in performing its function for the fiscal year commencing on the next ensuing October 1, including a reasonable provision for the contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Uniform and equal assessments sufficient to pay such estimated net charges shall then be levied as provided in the Declaration. All such regular assessments shall be due and payable to the corporation on the first day of the fiscal year for which the assessment is made or semi-annually if so determined by the Board of Directors in its sole and absolute discretion.

3. Special Assessments. In addition to the regular annual assessments provided for in Section 2 of this Article, the Board of Directors may levy special assessments in the manner and for the purposes set forth in the Declaration.

4. Levy of Assessments. In order to raise the total amount for which the levy in question is being made, the corporation shall make individual assessments against the property of Members as herein provided. Each individual assessment shall be equal to each other individual assessment. The corporation shall levy: (a) one assessment against each Lot; (b) one assessment against each completed Condominium Unit for which a Declaration has been recorded in the real property records (for purposes of calculating assessments, townhouses shall be treated the same as condominium units). No assessments, however, shall be levied on any Lots or Condominium Units which Sangre de Cristo Ranches Inc. holds under Class C membership as provided in the Declaration and the Articles of Incorporation.

5. Unpaid Assessments as Liens. The amount of any delinquent assessment, whether regular or special, assessed against any property and any late payment charge attributable thereto, plus interest on such assessment and charge at a rate of 10% per annum simple interest, and the costs of collecting the same, including reasonable attorney's fees shall be a lien upon each Lot and the improvement thereon or Condominium Unit, as the case may be. Such lien shall be prior to any declaration of homestead. Such lien may be foreclosed in the same manner as is provided in the laws of Colorado for the foreclosure of mortgages on real property. A certificate executed and acknowledged by any two members of the Board of Directors stating the indebtedness secured by such lien shall be conclusive upon the corporation as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Member upon request at a reasonable fee to be determined by the Board of Directors.

6. Mortgage Protection. No lien created under this Article or under any other Article of these Bylaws, nor any lien arising by reason of any breach of the Declaration, nor the enforcement of any provisions of these Bylaws shall defeat or render invalid the rights of the beneficiary under any recorded mortgage or deed of trust of first and senior priority upon a Lot or Condominium Unit made in good faith and for value. However, after the foreclosure of any such first mortgaged or deed of trust or after any conveyance in lieu of foreclosure, such Lot or

Condominium Unit shall remain subject to the Declaration and shall be liable for all regular assessments and all special assessments levied subsequent to completion of such foreclosure or delivery of such conveyance in lieu of foreclosure, and to all installments of all regular and special assessments levied prior to completion of such foreclosure or delivery of such conveyance but falling due after such completion or such delivery. Sale or transfer of any Lot or Condominium Unit will not affect or extinguish the assessment lien; however, the repossession of any Lot pursuant to delinquency or default under an installment sales agreement with Declarant shall extinguish the lien of such assessments as to payments, penalties or interest which became due prior to such repossession. No such repossession shall relieve such Lot from liability for any assessments thereafter becoming due on the next October 1 assessment date or the lien thereof unless such Lot has become subject to a Class C membership.

7. Subordination. By subordination agreement executed by the corporation the benefits of Section 6 of this Article may, in the sole and absolute discretion of the Board of Directors, be extended to beneficiaries not otherwise entitled thereto.

ARTICLE XIV. INDEMNIFICATION

1. Third-Party Actions. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee, servant or agent of the corporation against expenses (including attorney's fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

2. Determination. The indemnification which the corporation has elected to provide under Section 1 of this Article shall be made by the corporation only as authorized in a specific case upon a determination that the indemnification of the officer, director, employee, servant or agent is proper in the circumstances because he has met the applicable standards of conduct set forth above. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; provided, however, that if a Director, officer, employee, servant or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding, referred to above or in defense of any claim, issue or matter therein, then to the extent that the corporation has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth above.

3. Insurance. The Board of Directors may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, servant, or agent of the corporation, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability hereunder or otherwise.

4. Other Coverage. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under these Bylaws, by agreement, vote of the Members, vote of disinterested Directors, Colorado law, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a Director, officer, employee, servant or agent and may inure to the benefit of the heirs and personal representatives of such a person.

ARTICLE XV. CORPORATION PROPERTY

1. Forbes Park Rules. The Board of Directors shall have the authority to adopt rules governing the operation and use of property owned or leased by the corporation and the Common Areas all as provided in the Declaration.

2. Violation of Forbes Park Rules. There shall be no violation of any rules or regulations for Forbes Park which may be adopted by the Board of Directors and made available to the persons affected thereby. If any Member or his family or dependent, guest, licensee, tenant or invitee of such Member or his family or any other person violates such rules and regulations, the Board of Directors may invoke any one or more of the remedies set forth in the Declaration.

3. Damages. Each Member or other person described above in Section 2 of this Article shall be liable to the corporation for any damage to the property of the corporation which may be sustained by reason of the negligent

or intentional misconduct of such Member, dependent, member of his family, tenant, guests or invitees. If the Member's property is owned or leased jointly or in common, the liability of all such joint or common owners or lessees shall be joint and several. The amount of such damage may be assessed against such Member or person's real and personal property on or within Forbes Park, including the leasehold estate of any lessee, and may be collected as provided herein for the collection of assessments.

ARTICLE XVI. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Colorado Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or by the Bylaws of this corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVII. AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting of the Board of Directors, if at least five days written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting.

FORBES PARK LAND OWNERS ASSOCIATION
ELECTION PROCEDURES
APPENDIX TO BYLAWS
EFFECTIVE AS OF JAN. 26, 2002

OBJECTIVE: TO ESTABLISH STANDARDIZED PROCEDURES FOR CONDUCTING ASSOCIATION ELECTIONS IN WHICH ALL MEMBERS AND CANDIDATES CAN HAVE FULL CONFIDENCE THAT THE PROCESS IS FAIR AND POLITICALLY IMPARTIAL, AND INDEMNIFIED AGAINST ELECTION COMPLAINTS.

IT IS INTENDED THAT THIS ELECTION PROCEDURE APPENDIX SUPERCEDE ALL PREVIOUSLY UTILIZED METHODS OF ELECTION.

ADMINISTRATION OF THE ELECTION

THE SECRETARY OF THE ASSOCIATION OVERSEES THE ELECTION ON BEHALF OF THE BOARD OF DIRECTORS.

OPTION 1

THE BOARD SHALL APPOINT THE PARK MANAGER TO CONDUCT THE ELECTION UNDER THE RULES LAID OUT IN THESE PROCEDURES. THE PARK MANAGER WILL CARRY OUT ITS RESPONSIBILITIES MONITORED BY THE SECRETARY OF THE ASSOCIATION.

OPTION 2

THE BOARD SHALL APPOINT A COMMITTEE OF FIVE (5) MEMBERS SUBSEQUENTLY ENTITLED *THE ELECTION COMMITTEE* TO CONDUCT ALL ASPECTS OF THE ELECTION. THE COMMITTEE WILL CARRY OUT ITS RESPONSIBILITIES UNDER THE DIRECTION OF THE SECRETARY OF THE ASSOCIATION..

OPTION 3

THE BOARD SHALL CONTRACT WITH AN INDEPENDENT OUTSIDE AGENCY, i.e. A FIRM WITH ASSOCIATION MANAGEMENT EXPERIENCE INCLUDING THE HOLDING OF ELECTIONS TO CONDUCT ALL ASPECTS OF THE ELECTION PURSUANT TO RULES RECOMMENDED BY THE AGENCY AND AGREED TO BY THE BOARD.

.THE TERM *ELECTION ADMINISTRATOR* USED HEREIN SHOULD BE UNDERSTOOD TO MEAN ONE OF THE (3) OPTIONS OUTLINED ABOVE WHICH IS SELECTED BY THE BOARD.

ELECTION PROCEDURE

THE ELECTION WILL BE CONDUCTED BY WRITTEN SECRET BALLOT SENT VIA MAIL TO THE LAST KNOWN ADDRESS OF ALL MEMBERS IN GOOD STANDING. . MEMBERS MAY ALSO CAST A SECRET BALLOT IN PERSON AT THE ANNUAL MEETING OR MAY DESIGNATE BY PROXY A PERSON OR THE BOARD TO CAST A BALLOT UNDER THEIR INSTRUCTION IF THEY ARE UNABLE TO ACT IN THEIR OWN BEHALF.

ELECTION NOTIFICATION / SOLICITATION OF NOMINATIONS

THE BOARD SHALL DIRECT THAT A NOTICE BE PLACED IN THE ASSOCIATION NEWSLETTER, OR BY MAILING, ADVISING MEMBERS OF THE UPCOMING ELECTION AND REQUESTING THAT NOMINATIONS FOR OFFICE BE FORWARDED TO THE SECRETARY OF THE ASSOCIATION. THIS NOTICE SHOULD APPEAR IN THE NEWSLETTER PUBLISHED DIRECTLY AFTER THE JANUARY BOARD MEETING, AND SHALL INFORM THE MEMBERS WHAT OFFICES ARE TO BE FILLED AND THE DEADLINE FOR NOMINATIONS TO BE RECEIVED. MEMBERS SHOULD BE NOTIFIED THAT ONLY MEMBERS IN GOOD STANDING WILL BE ACCEPTED FOR NOMINATION.

NOMINATIONS

NOMINATION FOR ELECTION TO THE BOARD OF DIRECTORS SHALL BE MADE; (I) IN WRITING SIGNED BY A DIRECTOR; (II) IN WRITING SIGNED BY A MEMBER OR MEMBERS HOLDING AT LEAST FIVE (5) VOTES; (III) FROM THE FLOOR AT THE ANNUAL MEETING BY A MEMBER. ALL NOMINEES MUST BE MEMBERS IN GOOD STANDING. NOMINATIONS MUST BE AGREED TO AND ACCEPTED IN WRITING. THE NOMINEE THAT S/HE IS WILLING TO SERVE IF ELECTED. ALL NOMINATIONS, EXCEPT NOMINATIONS FROM THE FLOOR AT THE ANNUAL MEETING, MUST BE RECEIVED BY THE ASSOCIATION SECRETARY BY circa, APRIL 14. IT IS THE OBLIGATION OF THE NOMINEE TO ASSURE COMPLIANCE WITH THE STATED DATE.

ELECTION

ELECTION TO THE BOARD SHALL BE BY WRITTEN, SECRET BALLOT. AT SUCH ELECTION, THE MEMBERS, OR THEIR PROXIES MAY CAST, IN RESPECT TO EACH VACANCY, ONE VOTE PER LOT AS THEY ARE ENTITLED TO EXERCISE UNDER THE PROVISIONS OF THE DECLARATION. THE PERSON RECEIVING THE LARGEST NUMBER OF VOTES SHALL BE ELECTED.

VOTER ELIGIBILITY LIST

THE PARK MANAGER SHALL DEVELOP A VOTE ELIGIBILITY LIST OF LAND OWNERS QUALIFIED TO VOTE BASED ON THE PARAMETERS DESCRIBED IN ART. V, SEC. 2. (CURRENT ON ASSESSMENT PAYMENTS) ON A DATE TO BE DETERMINED BY THE BOARD. THE DATE OF CLOSING OF THE BOOKS SHALL BE THE SAME DATE AS THE DEAD LINE FOR ACCEPTING NOMINATIONS EXCLUDING NOMINATIONS PRESENTED AT THE MEMBERSHIP MEETING.

BALLOT PREPARATION & DISTRIBUTION

UPON THE CLOSING OF NOMINATIONS THE ELECTION ADMINISTRATOR SHALL COMMENCE WITH THE PREPARATION AND MAILING OF BALLOT PACKETS TO ELIGIBLE MEMBERS. THESE WILL INCORPORATE THE DOUBLE-ENVELOPE SYSTEM, THE METHOD MOST COMMONLY USED TO INSURE THE SECRECY OF THE BALLOT. THE BALLOT PACKETS WILL INCLUDE;

- A NOTICE OF ANNUAL MEETING ELECTION, AND INSTRUCTIONS FOR VOTING
- CANDIDATE BIOS/PERSONAL STATEMENTS OF 200 WORDS OR LESS

- ONE OFFICIAL UNMARKED BALLOT FOR EACH LOT OWNED
- ONE BALLOT ENVELOPE
- ONE RETURN ADDRESSED ENVELOPE, WITH MEMBER LOT(S) / ACCOUNT NUMBER (S) AND MEMBER NAME AND ADDRESS IN UPPER LEFT CORNER
- THE CONTENTS OF THE BALLOT PACKET IS LIMITED TO THE ITEMS LISTED ABOVE, WITH THE EXCEPTION OF A NOTICE, AT THE TREASURER'S DISCRETION, CONCERNING THE DISPOSITION OF MONEY BUDGETED BUT NOT SPENT. THIS EXCEPTION PROVIDES A METHOD TO COMPLY WITH I.R.S.. REGULATIONS.
- * BALLOT PACKETS WILL BE SENT TO ALL ELIGIBLE MEMBERS AT THEIR LAST KNOWN ADDRESS A MINIMUM OF FORTY-FIVE (45) DAYS BEFORE THE ANNUAL MEETING OF THE MEMBERS.
- * BALLOT INSTRUCTIONS WILL INFORM MEMBERS THAT THEIR VOTE MUST BE RECEIVED AT THE DESIGNATED RETURN ADDRESS FORTY- EIGHT (48) HOURS BEFORE THE DATE OF THE ANNUAL MEETING IN ORDER TO BE COUNTED.
- * INSTRUCTIONS MUST CLEARLY STATE THAT IF ANY MEMBER WISHES TO VOTE IN PERSON AT THE ANNUAL MEETING, S/HE MUST UTILIZE THE BALLOT THEY RECEIVED IN THE MAIL IN ORDER TO VOTE..IF THE ORIGINAL OR DUPLICATE BALLOT CANNOT BE PRODUCED, THEY WILL NOT BE ALLOWED TO VOTE IN PERSON AT THE MEETING.
- * INSTRUCTIONS SHOULD INCLUDE THE FOLLOWING:
 - a) MARK AN "x" OR CHECKMARK IN THE SQUARE(S) NEXT TO THE NAMES OF THE CANDIDATES OF YOUR CHOICE. DO NOT MARK THE BALLOT IN ANY OTHER WAY.
 - b) PLACE THE MARKED BALLOT IN THE BALLOT ENVELOPE AND SEAL. DO NOT MARK THE BALLOT ENVELOPE
 - c) INSERT THE BALLOT ENVELOPE IN THE RETURN ADDRESSED ENVELOPE.
 - d) BALLOT SECRECY CAN BE MAINTAINED ONLY IF YOU FOLLOW INSTRUCTIONS AND PERSONALLY MARK AND MAIL YOUR BALLOT

CANDIDATE CAMPAIGN LITERATURE

THE ASSOCIATION WILL NOT BEAR THE COST OF PUBLISHING ANY CANDIDATE CAMPAIGN LITERATURE, UNLESS EXPRESSLY APPROVED BY THE BOARD AND OFFERED UNIFORMLY TO ALL CANDIDATES. CANDIDATES MAY, HOWEVER, REQUEST, AT THEIR OWN EXPENSE, SETS OF LABELS OF ELIGIBLE VOTERS FROM THE ELECTION ADMINISTRATOR IN ORDER TO ACCOMPLISH THEIR OWN CAMPAIGN MAILINGS.

OBSERVERS

ADEQUATE SAFEGUARDS MUST BE PROVIDED TO INSURE A FAIR ELECTION. EACH CANDIDATE IS ENTITLED TO HAVE ONE OBSERVER, EXCLUDING SPOUSES, WHO IS PERMITTED TO OBSERVE PHASES OF THE MAIL BALLOTING PROCESS, INCLUDING THE PREPARATION, MAILING, COLLECTION OF BALLOTS, THE ENVELOPE OPENING, AND THE BALLOT COUNT. OBSERVERS CAN NOT

PARTICIPATE IN THE TABULATION OF THE BALLOTS. OBSERVERS ALSO MUST BE OFFERED THE OPPORTUNITY TO REVIEW THE ELIGIBILITY LIST BEFORE THE BALLOTS ARE MAILED.

SAFEGUARDING THE RETURNED VOTES

THE COUNT OF ALL RETURNED VOTES ARE TO BE TABULATED THE DAY OF PICK UP AND THE TALLY SHEET OF THAT COUNT TO BE SIGNED BY THE OBSERVERS, IF PRESENT. THE ELECTION ADMINISTRATOR SHALL HAVE THE OPTION OF USING ADDITIONAL CLERICAL HELP. THE ELECTION ADMINISTRATOR IS NOT REQUIRED TO HAVE OBSERVERS PRESENT AT THE TIME OF PICK UP FROM THE POST OFFICE, BUT MUST NOTIFY OBSERVERS OF PICK UP AND / OR COUNT AT LEAST 24 HOURS IN ADVANCE OF PICK UP AND / OR COUNT. RETURNED ENVELOPES, CONTENTS, TALLY SHEETS AND OTHER ASSOCIATED MATERIAL TO BE SECURED AT ALL TIMES.

DUPLICATE BALLOTS

AN ELIGIBLE MEMBER MAY CONTACT THE ELECTION ADMINISTRATOR FOR A DUPLICATE BALLOT IF S/HE DID NOT RECEIVE THE BALLOT SENT IN THE ORIGINAL MAILING. ANOTHER PACKET WILL BE SENT AND THE RETURN ENVELOPE WILL BE STAMPED "DUPLICATE". RECORDS SHOULD BE KEPT OF THE NUMBER OF DUPLICATE BALLOTS REQUESTED.

NAME ORDER ON THE BALLOT

THE NAMES OF ALL CANDIDATES SHALL APPEAR IN ALPHABETICAL ORDER ON THE BALLOT.

THE BALLOT COUNT

- THE ELECTION ADMINISTRATOR WITH OBSERVERS, IF PRESENT, AS WITNESSES, WILL PICK UP THE RETURNED BALLOTS AND CONCLUDE THE TALLY OF THE MAIL-RETURNED BALLOTS ON THE SAME DAY
- THE ELECTION ADMINISTRATOR AND, IF REQUIRED, A NUMBER OF ASSISTANT TELLERS / AUTHORIZED CLERICAL PERSONNEL SHALL CONDUCT THE COUNT. ONLY ELECTION OFFICIALS AND AUTHORIZED CLERICAL PERSONNEL SHOULD HANDLE THE BALLOTS AND ALWAYS WITHIN VIEW OF THE OBSERVERS, IF PRESENT.
- THE ELECTION ADMINISTRATOR SHALL CHECK THE INCOMING BALLOT PACKETS AGAINST THE ELIGIBILITY LIST AND MARK OFF ON THE LIST THE PACKETS RECEIVED BY MEMBERS ELIGIBLE TO VOTE.
- OPEN THE BALLOT PACKETS AND SEPARATE THE SECRET BALLOT ENVELOPES FROM THE PACKETS. OUTER RETURN ENVELOPES SHOULD BE BUNDLED AND SAVED
- OPEN THE SECRET BALLOT ENVELOPES AND EXTRACT THE SECRET BALLOTS, ENSURING THAT ALL ENVELOPES ARE EMPTY BEFORE DISCARDING.
- TALLY THE VOTES AND BUNDLE THEM WITH AN INITIALED OUTER TALLY SHEET IN PACKS AT THE CONCLUSION OF THE COUNT BUNDLES SHOULD BE

RECOUNTED FOR ACCURACY HAVE ELECTION OFFICIALS AND PREFERABLY ALSO THE OBSERVERS, IF PRESENT, INITIAL OR SIGN THE TALLY SHEETS, CONFIRMING THEIR ACCURACY, IF PRESENT..

- THE ELECTION WILL NOT BE FINALIZED UNTIL REMAINING VOTES ARE CAST AT THE ANNUAL MEETING, BUNDLES OF COUNTED VOTES SHOULD BE SECURED WITHIN VIEW OF THE OBSERVERS.
- WHEN THE FINAL VOTES ARE CAST THE ELECTION ADMINISTRATOR WILL CERTIFY THE RESULTS.

POST ELECTION REQUIREMENTS

IN ADDITION TO BEING ANNOUNCED AT THE ANNUAL MEETING, ELECTION RESULTS WILL BE PUBLISHED IN THE MINUTES OF THE MEETING AS WELL AS IN THE ASSOCIATION NEWSLETTER. ALL ELECTION RECORDS, INCLUDING MEMBERSHIP AND ELIGIBILITY LISTS, COPIES OF NOMINATION AND ELECTION NOTICES, VOTING INSTRUCTIONS, ALL RETURN ENVELOPES MARKED, CHALLENGED, UNUSED BALLOTS,, AND TALLY SHEETS MUST BE PRESERVED FOR ONE (1) YEAR BY THE ASSOCIATION SECRETARY UNLESS A MOTION IS PASSED AT THE MEMBERS MEETING TO DESTROY THEM AFTER THE PROTEST,OR PROTEST PERIOD HAS ELAPSED.

ELECTION CHALLENGE MECHANISM

ANY CANDIDATE WHO ALLEGES THAT AN ELECTION HAS NOT BEEN IN COMPLIANCE WITH THESE OUTLINED PROCEDURES MAY FILE A COMPLAINT WITH THE ASSOCIATION BOARD WITHIN NINETY (90) DAYS OF THE PUBLICATION OF ELECTION RESULTS. THE COMPLAINT MUST OUTLINE SPECIFIC ALLEGATIONS OF IMPROPRIETY, THE BOARD WILL CONDUCT AN INVESTIGATION OF STATED ALLEGATIONS AND RENDER A DECISION WITHIN SIXTY (60) DAYS OF COMPLAINT. ANY COMPLAINANT MUST EXHAUST THESE INTERNAL REMEDIES BEFORE PURSUING FURTHER ACTION.

POLICIES, RULES AND REGULATIONS FOR FORBES PARK LANDOWNERS ASSOCIATION

A Pre-CCIOA Association (Colorado Common Interest Ownership Act)

Policy 1, Overview

These Policies, Rules and Regulations have been adopted --and implemented-- to preserve, protect and enhance the values --of all landowners-- and the environment of Forbes Park. These policies clarify --and supplement-- the recorded Declaration and By-Laws for the Forbes Park Land Owners Association (FPLOA) without superseding any of the controlling documents and are adopted in accordance with Colorado law. To the extent Colorado law may mandate something different from the provisions of the Declaration, the policy documents are drafted to comply with the requirements of the Colorado law. For example: the By-laws state that annual meeting notices will be mailed not less than 30 nor more than 60 days in advance, while Colorado law requires mailings not less than 10 days and not more than 50 days. In such cases, requirements of the law take precedence in policy statements. (See Article 1c below).

Article 1 - The Role of the Association. Board of Directors. The governing body of the Association is the Board of Directors (the "Board"), which is comprised of five (5) directors. The officers are the President, the Vice-President, and the Treasurer and Secretary who may also be Vice-Presidents and/or Board Members when elected.

b. Meetings. The Board of Directors holds regular and special meetings. Any owner who wishes to address the Board may do so at that time. A separate policy statement for the conduct of meetings is also included in this package of policies, rules and regulations.

c. Membership Meetings. An annual owners meeting is held at a time and place set by the Board each year, generally in late June or early July. The meeting time, location and agenda will be posted on the website and the FPLOA bulletin board. At this meeting, the members transact any business that properly comes before the Association, including discussion of finances and the election of one or more Directors.

d. Management. FPLOA is managed by the Board of Directors. The Board is assisted by the association officers, managers and committees. All FPLOA records and documents, including budget, financial statements, minutes, Declarations, Articles of Incorporation, By-Laws and other documents mandated by Colorado Revised Statutes 38-33.3-317 are maintained at the FPLOA place of business and are available for inspection by owners during normal business hours in accordance with the Inspection of Records Policy (Policy 4). Additional copies are available upon request for a nominal fee. Contact the managers or a Board member if you would like to inspect the records and documents.

In Witness Whereof the undersigned has executed this FPLOA Policy 1 on _____

Chairman

FORBES PARK LAND OWNERS ASSOCIATION

Enforcement of Covenants and Rules Including Notice of Hearings, Procedures and Schedule of Fines

FPLOA Policy 2

Purpose – To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill SB 05 100, and to promote the responsible governance of Forbes Park, the following Rules and Regulations are adopted.

Effective date – January 26, 2008

Authority – The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, recorded in Costilla County, Colorado, the Articles of Incorporation of Forbes Park Land Owners Association, and the By-Laws of Forbes Park hereby enacts the following regulations.

Procedure – The Environmental Control Committee (the “Committee”) is charged with the investigation of alleged violations of the Declaration of Covenants, Conditions and Restrictions, Rules and Regulations and the By-Laws of the Association as prescribed by the Board of Directors of the Forbes Park Land Owners Association. The Board of Directors will appoint a Conflict Resolution Committee to review any unresolved or alleged violation and recommend to the Board of Directors an appropriate action. The Board of Directors will not impose a fine or infringe upon any other right of a landowner for any violations of the Declaration of the Covenants, Conditions and Restrictions, Rules and Regulations and the By-Laws of the Association unless and until the following procedures are completed:

- 1 – Alleged violations must be reported in writing using the approved complaint form. Upon receipt of the Complaint Form, the appropriate committee chairman will initiate an investigation. Considering the individual alleged violation, the Committee shall notify the alleged violator and may use all reasonable means to resolve the complaint without formal action. If these efforts do not resolve the complaint, then the landowner will be a second notice identifying the complaint and establishing a time frame, not to exceed 30 days, in which to cure the violation.
- 2 - In the event efforts to resolve the issue have been exhausted, the Committee shall send a formal violation notice to the landowner offering a recommended solution to the landowner or, if the landowner desires, an opportunity to schedule a formal hearing with the Conflict Resolution Committee. Copies will be forwarded to the Park Manager. The violation notice letter from the Committee to the landowner

1 The Forbes Park Land Owners Association does not condone or encourage anyone to enter another's property for the detection or correction of infractions unless specifically authorized to do so except where immediate fire hazards are evident.

will include the following: a) the date upon which the violation must be cured, b) a description of any acceptable alternative solutions – including the time period to comply, c) if privileges are to be suspended, what privileges and the length of such suspension, d) and the amount of any monetary fines that may be assessed for failure to cure, e) the date upon which the owner must request a hearing. The Conflict Resolution Committee shall schedule a hearing within 14 days of request and shall conduct the hearing pursuant to the Hearing Policy (Policy 3). If these actions are successful, a letter of resolution will be sent to all parties involved documenting the resolution.

- 3 - The landowners have the right to an appeal of the Conflict Resolution Committee's formal ruling to the Board of Directors. The request for an appeal must be filed in writing with the Conflict Resolution Committee within 30 days of the date of the Conflict Resolution Committee's ruling letter.
- 4 - A copy of the final disposition letter will be placed in both the landowners file and in the Park Managers files. The letter will include the following: a) if time was extended to correct the problem, state completion date and action taken, b) if alternative solutions – describe the solution and the completion date, c) if privileges are suspended, state what privileges and the time period, d) if monetary penalties are imposed, state the amount and the time allowed for payment.
- 5 – Monetary penalties are due and payable to Forbes Park Land Owners Association within 30 days after the decision has been rendered. A late fee of \$25.00 plus interest shall be assessed on the imposed fines at a rate of 8% APR.

For failure to comply, the Association will require reimbursement for all collection costs and attorney fees incurred as a result of such failure. All legal means will be used to collect monies due the Association.

- 6 - Fines imposed as the result of complaints filed and upheld through the hearing process shall be in accordance with the fine schedule below and shall be uniformly applied for each class of violation. Violations dealing with danger to human life, destruction of property owned by the Association, destruction of private property, including cutting trees on another landowner's property without proper permits, and damage to the environment, shall be Class IV infractions and may be referred to law enforcement.

Daily fines and per-instance or per-item fines will be levied according to, but not limited to, the following schedule:

- Class I fine from \$25.00 - \$100.00
- Class II fine from \$50.00 - \$200.00
- Class III fine from \$200.00 - \$500.00
- Class IV fine from \$500.00 - \$1000.00

Repeat offenders will be reviewed for possible legal action, and, depending on the severity, may be referred to the policy.

Amending Schedule of Fines – The Board of Directors of Forbes Park Land Owners Association may modify the Schedule of Fines in accordance with its Adoption of Policies Policy (Policy 8).

Publication – This and future documents pertaining to compliance with local and state laws will be published in the binder at the Office of the Association and the Forbes Park web site.

Violations of Protective Covenants – The following activities violate the Forbes Park Land Owners Association Declaration of Covenants, Conditions and Restrictions may include but are not limited to:

Open fires, fire pits without approved screens, hunting, discharging fire arms, including explosives, fireworks and arrows, parking in restricted areas, blocking roadways, improper disposal of sanitary waste, improper trash disposal, riding of ATVs, motorcycles or motor bikes, tree cutting or the construction of any dwelling without proper permits from the ECC, including the cleaning or clearing of any property within the boundaries of Forbes Park.

In Witness Whereof the undersigned has executed this Enforcement of Covenants and Rules Including Notice of Hearings, Procedures and Schedules of Fines Policy 2 on

Chairman

SCHEDULE OF FEES

Daily fines:

<i>Fires during fire ban imposed by the county and/or state</i>	<i>\$500.00 and probable criminal prosecution</i>
<i>Open fires and fires without proper spark arresting screens</i>	<i>\$500.00</i>
<i>Disposal of construction material in park trash receptacle</i>	<i>\$500.00</i>
<i>Improper sanitary waste disposal</i>	<i>\$500.00</i>
<i>Purposely damaging the environment</i>	<i>\$500.00 and probable criminal prosecution</i>
<i>Camping without permit</i>	<i>\$ 25.00</i>

Per Instance or Item Fines:

<i>Riding ATV, motor cycles, or motor bikes</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3rd notice, and possible suspension of privileges</i>
<i>Blocking of roadways or parking in restricted areas</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3rd notice, and towed at the owners expense</i>
<i>Camping or camper storage after permit expiration</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3rd notice, and removal at owners expense</i>
<i>Tree cutting without proper permits and coordination with the ECC</i>	<i>Fine may be equal to the commercial value of the tree or trees cut</i>
<i>Initiation of construction of a structure (dwelling, fence, outbuilding, etc.) without proper permits and coordination with the ECC</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3rd notice, and removal at owners expense</i>
<i>Violation of other Protective Covenants listed in Declaration of Covenants, Conditions and Restrictions Article VIII,</i>	<i>\$25.00 1st notice \$50.00 2nd notice \$100.00 3rd notice, and possible suspension of privileges</i>

Special Cases:

<i>Tree cutting on another lot without landowner written permission and a tree cutting permit</i>	<i>\$1000.00 and referred to the County for criminal prosecution</i>
<i>Causing fire to spread to another property or common lands, or creating a wild fire situation causing fire response to be activated</i>	<i>\$1000.00 and referred to the County for criminal prosecution</i>
<i>Killing of big game wildlife</i>	<i>\$1000.00 and referred to Department of Wildlife for prosecution</i>

FORBES PARK LAND OWNERS ASSOCIATION

Conflict Resolution Policy

FPLOA Policy 3

Purpose – To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill 05 100, which requires that a policy be established concerning conflict resolution within the Association.

Effective date - January 26, 2008

Authority – The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, as recorded in Costilla County, Colorado, Articles of Incorporation of Forbes Park Land Owners Association, and the By-Laws of Forbes Park hereby enacts the following regulations.

Procedure – Should a recommended resolution of the Environmental Control Committee be appealed, the Conflict Resolution Committee, as may be appointed by the Board, shall review all information regarding the problem, conduct a hearing with all parties involved and recommend a solution. This hearing may be held in the Park, or by telephone or other teleconferencing methods. The landowner and representatives of the appropriate committee involved may produce any and all evidence pertaining to the alleged problem. Supporting witnesses may attend the hearing. With timely notification to the Conflict Resolution Committee, the owner may be accompanied by counsel.

A recommended solution shall be made within 30 days. The Conflict Resolution Committee may dismiss any or all charges, extend time to correct the problem, suggest alternative solutions, suggest suspension of privileges, impose monetary penalties, or a combination of any of these options.

Either party has the right to appeal the decision of the Conflict Resolution Committee. The appeal must be filed with the Board of Directors with 30 days of the rendered decision. The appeal shall be sent to the Board of Directors of the Association for review. At its discretion, the Board may set a time for a hearing. If a hearing is to be scheduled, a reasonable time will be set so that the landowner, along with witnesses and/or counsel, may attend. All interested parties will be heard and a decision will be rendered within 30 days by the Board. The Board may dismiss any or all charges, extend time to correct the problem, suggest alternative solutions, suspend privileges, impose monetary penalties, or a combination of any of these options. The Board will notify all parties by first class mail as to the decision by the Board.

A copy of the final disposition letter will be placed in both the landowners file and in the Park Managers files. The letter will include the following:

- a. if time was extended to correct the problem, state completion date and action taken
- b. if alternative solutions – state/describe the solution and completion date
- c. if privileges are suspended, state what privileges and the time period
- d. if monetary penalties are imposed, state the amount and the time allowed for payment..

Monetary penalties are due and payable to Forbes Park Land Owners Association within 30 days after a decision has been rendered. A late fee of \$25.00 plus interest shall be assessed on the imposed fine at a rate of 8% APR.

For failure to comply, the Association will require reimbursement for all collection costs and attorney fees incurred as a result of such failure. All legal means will be used to collect monies due the Association.

In Witness Whereof the undersigned has executed this Conflict Resolution Policy 3 on

Chairman

FORBES PARK LAND OWNERS ASSOCIATION
Inspection and Copying of Records of the Association

FPLOA policy 4

Purpose – To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill SB 05 100, which requires that a policy be established concerning the inspection and copying of records of the Association of landowners.

Effective date – January 26, 2008

Authority – The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, as recorded in Costilla County, Colorado, the Articles of Incorporation of Forbes Park Land Owners Association, and the By-Laws of Forbes Park hereby enacts the following regulations.

Procedure – All records of the Forbes Park Land Owners Association are maintained at the Association’s place of business located at the Park Manager’s Office in either paper form or on computer disks in a form that is readily convertible to paper copies.

All records of the Forbes Park Land Owners Association are available for inspection by any landowner or the landowner’s designated representative during normal office hours at the Park Manager’s Office. Agents/representatives of landowners must be designated in writing by the landowner. Access to records will be provided by Association Managers --on a non-interference basis-- in paper form or will provide access through the use of computer equipment.

Any record of the Association may be copied for the landowner which cost shall be paid by the landowner in advance. The Association shall charge its actual cost per page to copy the requested documents --which shall not exceed \$.50 per page--. The Association may also charge a reasonable fee for researching and providing such records. Requests for copies must be submitted on the appropriate form which shall include the proper purpose for which the records will be used. Copies will be made available within 5 business days and upon receipt of the request and payment of the required cost. The only records that will not be made available are records directly related to and revealing information about:

- 1- Sensitive personnel matters related to employees and the Association administration*
- 2-Consultation with legal counsel*
- 3-Investigative proceedings relative to criminal conduct*
- 4-Legal matters protecting confidentiality from public disclosure*
- 5-Any matters that would constitute unwarranted invasion of individual privacy*

In Witness Whereof the undersigned has executed this FPLOA Policy 4 on

_____, _____
Chairman

FORBES PARK LAND OWNERS ASSOCIATION
Investment of Reserve and Replacement Funds

FPLOA Policy 5

Purpose – To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill SB 05 100, and to promote the responsible governance of Forbes Park, the following Rules and Regulations are adopted.

Effective date – January 26, 2008

Authority – The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, as recorded in Costilla County, Colorado, the Articles of Incorporation of Forbes Park Land Owners Association, and the By-Laws of Forbes Park hereby enacts the following regulations.

Procedure – The policy of FPLOA is to **Maximize** the return on investments/--cash equivalents-- of the Association earmarked for Major Repairs, Replacements and Improvements --in the same manner as a reasonable person--. Safety of the principal is the utmost investment objective. Investments will adhere to the following requirements:

- a. Investments will be made with licensed, insured and bonded fiduciaries --(banks and brokerage firms, etc.) no smaller than \$85 million in assets--.
- b. **Funds** may be invested in triple “A” rated corporate, municipal or other government bonds --to optimize longer returns or tax advantages of such instruments--. Investments may also be made in unrated bonds that are insured, pre-funded and escrowed to maturity.
- c. The investment portfolio will be **reviewed** annually as part of the budget process. The Finance Committee will recommend the strategy for the fiscal year to the Board of Directors.
- d. The Board approved strategy will be implemented by the Management team.

All other things being equal, **preference may** be given to investing Association Funds with Institutions located in the San Luis Valley. Such investment strategy is useful in promoting community relations and may be beneficial to the Association over the long term.

In Witness Whereof the undersigned has executed this Investment and Reserve and Replacement Funds Policy 5 on

Chairman

FORBES PARK LAND OWNERS ASSOCIATION

Conduct of Meetings Policy

FPLOA Policy 6

Purpose – To comply with Colorado Revised Statutes Section 38-33,3-209.5, also known as Senate Bill SB 05 100, and to promote the responsible governance of Forbes Park, the following Rules and Regulations are adopted.

Effective date – January 26, 2008

Authority – The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, as recorded in Costilla County, Colorado, the Articles of Incorporation of Forbes Park Land Owners Association, and the By-Laws of Forbes Park hereby enacts the following regulations.

Procedure – There shall be a regular **annual meeting** of the members of the Association in late June/early July. Said regular annual meeting may be held at such reasonable place and at such time as may be designated by the Board of Directors and given to members not less than 45 nor more than 50 days prior to the date fixed for said regular annual meeting. **Special meetings** of the members may be called at any reasonable time, date and place by written notice by the Board of Directors or upon written request of members entitled to vote one fifth (20%) of the total votes of the membership, given to all members not less than 10 nor more than 50 days prior to the date fixed for said special meeting.

Notices of meetings are to be delivered by United States mail or electronically to the address designated in writing by the lot owner. The notice of any meeting shall be physically posted on the official bulletin board located adjacent to the Association's entrance gate and on the Association's web site. The notice shall state the time and place of the meeting and the items on the agenda to be discussed.

Regular **meetings of the Board of Directors** shall be held at least semi-annually at such place and hour as may be fixed from time to time by the Board. Regular meetings of the Board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives. Agendas for meetings of the Board of Directors shall be made reasonably available for examination by all members of the Association or their representatives. Meeting notices will be posted for examination by all members of the Association or their representatives and on the Associations web site and by email to all unit owners who so request and who furnish the Association with their email address. Electronic notice of a **special meeting** of the Board of Directors shall be given as soon as possible but at least 24 hours before the meeting.

Other than the executive session portions of a meeting, all meetings of the Board of Directors are open to every lot owner of the Association or to any person designated by a

lot owner in writing as the lot owner's representative, and all lot owners or designated representatives so desiring shall be permitted to attend, listen and speak at an appropriate time, as may be determined by the board, during the deliberations and proceedings. The Board may place reasonable time restrictions, normally 5 minutes per person or less, on those persons speaking during the meeting. The Board shall permit a lot owner or the lot owner's designated representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall allow a reasonable number of persons to speak on each side of an issue, the number of speakers and the time allotted to each to be determined by circumstances.

Any action required by law to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the Board, may be taken without a meeting if a **Unanimous Consent of Directors** form is signed, which sets forth in writing the action taken. Rules regarding rights of lot owners to speak at meetings do not apply in Unanimous Consent circumstances.

Under certain circumstances, limited to the circumstances stated below, the Board of Directors may meet in **Executive Sessions**, which are closed to the membership:

- 1 – Personnel matters related to employees or the managing agent's contract
- 2 – Consultation with legal counsel
- 3 – Pertinent to investigative proceedings relative to criminal conduct
- 4 – Legal matters protecting confidentiality from public disclosure
- 5 – Any matters that would constitute unwarranted invasion of individual privacy
- 6 – Review of or discussion relating to written or oral communication from legal Counsel
 - a. Other persons as requested by the Board may attend Executive Sessions
 - b. General matters to be discussed must be announced in advance
 - c. Minutes stating that an executive session was held and the general subject matter discussed must be kept.
 - d. The Board may not implement Policies, rules or Regulations in Executive Session.

A **Quorum** must be present for the Association to conduct business. For the purposes of a quorum, present shall mean in attendance either in person, by proxy, by telephone or other means of two-way communications in order to conduct a meeting. For a membership meeting, a quorum consists of members entitled to vote at least one-tenth of the members of the Class A or Class B membership, except as provided in Section 5 of Article VI of the Declaration. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may adjourn the meeting to a time not more than 60 days from the time set for the original meeting. A quorum for a Board of Directors meeting, or any committee thereof, shall consist of a majority of its members.

Every act or decision –done or made-- by a majority of the Directors, or a committee thereof, present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board or the committee.

The Chairman of the Board of Directors, or in his absence the Vice-Chairman, shall call meetings of members to order and act as chairman of such meetings. In the absence of both said officers, any member entitled to vote thereat or any proxy of any such member may call the meeting to order, and a chairman of the meeting shall be elected. The secretary of the corporation, or in his/her absence, the assistant secretary, a secretary shall be selected in the manner aforesaid for selecting the chairman of the meeting.

At any meeting of the members, a member entitled to vote may vote by **proxy** executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. --All proxies shall be filed with the secretary--. All proxies shall be **filed with** the Secretary of the Meeting prior to the call to order of the meeting.

Members shall be entitled to the number of **votes** which are specified in Article V of the Articles of Incorporation. A majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater portion is required by the Association's By-laws, the Articles of Incorporation or the Declaration.

Minutes of the meetings shall be kept by the designated Secretary of the meeting and shall be posted on the community web site after approval by the Board of Directors at the next meeting of the Board or, in the case of annual meeting minutes, when approved at the next meeting of the members.

Minimum requirements for minutes will be: type of meeting (regular, special, function), date, time, place, names of persons attending, general purpose of the meeting, and all agreements reached, directions set, and future plans. Brevity is encouraged.

Even though the statute does not define "meeting", the Association will take an expanded view of the term to include all formal meetings whereby status of activities and directions are deliberated by any official body of the Association. Workshops, planning sessions, study efforts and the like, where no binding decisions of the board are made, may be held without the notice requirements but presentations or resulting efforts will be conducted in a formal meeting context.

In witness thereof the undersigned has executed this Conduct of Meetings policy 6 on

Chairman

FORBES PARK LAND OWNERS ASSOCIATION

Collection Policy

FPLOA policy 7

Purpose – To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill 05 100, and to promote the responsible governance of Forbes Park, the following Rules and Regulations are adopted.

Effective date – January 26, 2008

Authority – The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, Costilla County, Colorado, the Articles of Incorporation of Forbes Park Land Owners Association, and the By-Laws of Forbes Park hereby enacts the following regulations.

Procedure – The Association is charged with certain responsibilities regarding the care, maintenance and service of certain portions of the properties and common elements. It must have the ability of discharge its responsibilities. The Board of Directors is required to pursue collection of assessments and other charges from owners. It, therefore, desires to adopt a uniform and systematic procedure to collect assessments and other charges due to the Association.

An **administrative and processing fee** of \$200.00 will be due and payable upon completion of the sale or transfer of ownership of a lot. Gate cards will not be issued to new owners until the fee has been paid. Gate cards issued to prior owners of a transferred lot shall be deactivated by the Association until the fee is paid in full.

A **building permit fee** of \$500.00 is due and payable before construction of a dwelling structure begins. Association approval and referral of permit applications to Costilla County for County building permits will not take place until the Association building permit fee has been paid in full.

Annual assessment due date, late charges and interest – see Exhibit A

As of January 1st of each year, the Association may file a “**Notice of Assessment Lien**” against the property of any delinquent owner. If a lien is filed, a \$20.00 fee will be assessed and added to the unpaid balance against a lot.

The association reserves the right to apply all payments received on account of any lot first to payment of any and all legal fees, collection fees, late charges, interest, return check charges, lien fees, etc. and then to an owner’s assessments due.

Billings may continue for delinquent accounts in the months of December and January, as determined by the Board. Upon an Owner’s failure to pay the account current, the account may be referred to legal counsel at which time, subsequent communications, if necessary, will occur through a legal and/or collection process.

The Association may choose to **foreclose it’s lien** in lieu of or in addition to suing an owner for a money judgment. The Declarations and Covenants permit, but do not require, foreclosures of liens for assessments that remain delinquent for 90 days.

The Association may grant a **waiver** of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted to an owner shall be appropriately documented in the files with the name of the person(s) representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances. The Association has the right and option to evaluate each delinquency on a case by case basis.

In witness whereof the undersigned has executed this Collection policy 7 on

Chairman

EXHIBIT A

ASSESSMENT COLLECTION POLICY

1. Assessments shall be due and payable in advance on the first day of October each year. Any assessments which are not paid when due shall be delinquent.
2. A "late fee" in the amount of twenty-five dollars (\$25.00) per month shall be levied against any delinquent Assessment account not paid in full as of the first (1st) day of November. Subsequent notices will be sent at the landowner's expense.
3. Delinquent assessments shall bear interest from December 1 at a rate of ten (10%) per annum.
4. Management is directed to send to any Owner who is delinquent in the payment of assessments, or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments"), a written notice, (hereinafter referred to as the "First Notice") sent via first class mail, of the late fee and a request for immediate payment.
5. Management is directed to send to any Owner who is more than one (1) month delinquent in the payment of Assessments written notice (hereinafter referred to as the "Second Notice") by certified mail, return receipt requested, stating that if the account is not paid in full within thirty (30) days, a Notice of Claim and Lien shall be recorded and turned over to the Association's legal council for collection. In such case, the Owner will be liable for payment of all charges imposed by the Association's attorneys to cover fees and costs charged to the Association. If a lien is filed for a property with a past due balance, the Association reserves the right to accelerate and collect all assessments due through the end of the fiscal year for that property.
6. There shall be a \$25 service charge on all returned checks. Upon receipt of a check returned for non-sufficient funds, Management will verify fund availability with the payee's financial institution and upon positive verification will redeposit the check. Upon receipt of a check returned for a second time, repayment for the returned check shall be required to be certified funds or the equivalent thereof. Payment shall not become effective against the account until such time as the certified funds are received for deposit. Cash is not accepted as a form of payment.
7. Late Fees shall continue to be assessed on the 30th day of each month until the account is paid in full. All fees incurred in the collection of delinquent accounts/fees shall be the total responsibility of the delinquent landowner.

FORBES PARK LAND OWNERS ASSOCIATION
Procedures for the Adoption and Amendment of Policies,
Procedures and Rules

FPLOA Policy 8

Purpose – To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill SB 05 100, which requires that a policy be established concerning the procedures for the adoption and amendment of policies, procedures and rules.

Effective date – January 26, 2008

Authority – The board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, as recorded in Costilla County, Colorado, the Articles of Incorporation of Forbes Park Land Owners Association, and the By-Laws of Forbes Park hereby enacts the following regulations.

Procedure – Management policies and procedures are designed to guide the internal administration of the Association; that is, how the Association should conduct its internal business. Issues having to do with management to land owner relationships and vice-versa are described in Policies, Rules and Regulations as appropriate. In implementing “How Things Work,” special attention is given to decisions that lead toward fulfillment of the Association’s vision, mission and values.

The **vision** of the Forbes Park Land Owners Association is that, through teamwork, it will be a respected and trusted organization dedicated to preserving and improving the quality of life in Forbes Park with as little interference in the lives of its members as possible. In achieving this vision, the entire management team supports the following mission and believes these values are the way to become successful.

The **mission** of the Forbes Park Land Owners Association is to preserve, protect and enhance the *values, the amenities and the environment of Forbes Park.

The **values** include teamwork, lowest possible assessments, community awareness, and limited regulation.

Teamwork means members respecting each other and working as a team to achieve goals. Decisions are made through consensus, involving many land owners, not independent actions, and each member of the management team will support the others. This is an open and supportive organization working together in harmony.

Prudent expenditures controlled rigidly and focused on enhancing the values of the community as a whole is the Association’s financial goal.

Safety is everyone’s job. There is no absolute security for anyone living in a remote mountainous forest. The management team is committed to continuously searching for improvements that either the members in general or management can take to enhance safety.

It is believed that members want to preserve, protect and enhance the community's values. Management hopes to accomplish this goal mainly through suggestions and guidelines. Rules, regulations and enforcement policies will be adopted to meet requirements of Colorado law but will otherwise be as limited as possible to achieve the mission.

Management policies, procedures and regulations may be drafted by any member of the Management Team; i.e. Board members, Officers, Committees or association managers. Drafts will be submitted to the Board for review, comment and approval. The Board is encouraged to seek comments and suggestions from as many landowners as possible during the review process. Policies will be available for review by landowners 30 days before the meeting in which they may be adopted by the Board of Directors.

Approved Policies, Procedures and rules will be distributed to the Management Team for implementation and follow-up. They will be disclosed to landowners in accordance with Colorado law. Annually, the Bugler will print an index of the policies, procedures and rules as information to members. Those documents will be maintained in a notebook at the Association's primary place of business and will be displayed on the Association's web site. Copies of the policies will be provided to members upon request. Refer to Policy 4 for additional information.

In witness whereof the undersigned has executed these procedures for the adoption and amendment of policies, procedures and rules on _____.

Chairman

FORBES PARK LAND OWNERS ASSOCIATION

Conflict of Interest Policy

FPLOA Policy 9

Purpose – To comply with Colorado Revised Statutes Section 38-33.3-209.5, also known as Senate Bill SB 05 100, which requires that a policy be established concerning Conflict of Interest.

Effective date – January 26, 2008

Authority – The Board of Directors of Forbes Park Land Owners Association acting pursuant to the powers granted to it by the Declaration of Covenants, Conditions and Restrictions for Forbes Park, as recorded in Costilla County, Colorado, The Articles of Incorporation of Forbes Park Land Owners Association, and the By-laws of Forbes Park hereby enacts the following regulations.

Procedure – The intent is to protect this not-for-profit organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or other interested person of the Association or might result in a possible financial benefit to a board member, officer or other person doing business with the Association.

Any director, principal officer, member of a committee or manager with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an **interested person**.

A person has a **financial interest** if the person has, directly or indirectly, through business, investment or family:

- a. An ownership or investment interest in any entity with which the Forbes Park Land Owners Association has a transaction or arrangement,
- b. A compensation arrangement with the Forbes Park Land Owners Association or with any entity or individual with which the Forbes Park Land Owners Association has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Forbes Park Land Owners Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

In connection with any actual or possible conflict of interest, an interested person has a **duty to disclose** the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing

board delegated powers considering the proposed transaction or arrangement as provided below.

More specifically: if any contract, decision or other action taken by or on behalf of the Board of Directors would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board or a parent or spouse of those persons, that member of the Board shall declare a conflict of interest in an open meeting prior to any discussion or actions on that issue which conflict shall be noted in the meeting minutes of that meeting.

Procedures for addressing the Conflict of Interest:

1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee shall determine whether the Forbes Park Land Owners Association can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine, by a majority vote of the disinterested directors, whether the transaction or arrangement is in the Forbes Park Land Owners Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

If the governing board or committee has reasonable cause to believe that a member has **violated the conflict of interest** policy by failing to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and provide the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, the action taken in conflict shall be declared null and void and corrective action will be taken.

The **minutes** of the governing board and all committees with board delegated powers shall contain a) names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed; b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including

any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

In the event the Association votes on and enters into a contract with an Interest Person, That contract may not be terminated unless there was actual fraud committed by the Interest Person or the contract is unfair to the Association.

Each director, principal officer and park manager shall annually sign a statement which affirms such person:

Has received a copy of the conflicts of interest policy

Has read and understands the policy

Has agreed to comply with the policy, and

Understands the Forbes Park Land Owners Association is not-for-profit, and, in order to maintain its federal tax status, it must engage primarily in activities which accomplish one of more of its tax-exempt purposes.

To ensure the Forbes Park Land Owners Association operates in a manner consistent with common interest association purposes and does not engage in activities that could jeopardize its tax-exempt status, **periodic reviews** shall be conducted. The periodic reviews shall, at a minimum, include the following subjects; a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining, and b) whether partnerships, joint ventures and arrangements with management organizations conform to the Forbes Park Land Owners Association 's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further common interest purposes and do not result in a transaction that provides any type of benefit to an officer, director, committee chairperson or manager.

In witness whereof the undersigned has executed this Conflict of Interest policy 9 on

Chairman

**ASSIGNMENT OF DEVELOPER'S RIGHTS UNDER
PROTECTIVE COVENANTS FOR SANGRE DE CRISTO RANCHES,
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR FORBES PARK, AND DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR FORBES WAGON CREEK RANCH.**

THIS AGREEMENT, ("Agreement") made effective the 1st day of January, 2000 ("Effective Date") by and between **FORBES FAMILY HOLDINGS INC.** ("Forbes"), a New York corporation, and **SANGRE DE CRISTO RANCHES INC.** ("Ranches"), a New York corporation.

WHEREAS, Forbes is transferring certain real estate and other assets in Colorado to Ranches, the wholly owned subsidiary of Forbes, for good and valuable consideration.

WHEREAS, Protective Covenants applicable to the Sangre de Cristo Ranches subdivision were recorded on March 15, 1971, at Book 192, Page 404 in the real property records of the Costilla County Clerk and Recorder's Office.

WHEREAS, Declaration of Covenants, Conditions and Restrictions applicable to Forbes Park subdivision were recorded on March 18, 1976 at Book 198, Page 396 in the real property records of the Costilla County Clerk and Recorder's Office.

WHEREAS, Declaration of Covenants, Conditions and Restrictions applicable to Forbes Wagon Creek Ranch subdivision were recorded on February 9, 1979 at Book 206, Page 862 in the real property records of the Costilla County Clerk and Recorder's Office. An amendment to said Declarations was recorded on April 20, 1979 at Book 207, Page 482 in the real property records of the Costilla County Clerk and Recorder's Office. A further amendment to said Declarations was recorded on January 2, 1997 at Book 348, Page 4 in the real property records of the Costilla County Clerk and Recorder's Office.

WHEREAS, Forbes holds certain rights as the "Declarant" under the Protective Covenants applicable to Sangre de Cristo Ranches subdivision, the Declaration of Covenants, Conditions and Restrictions applicable to Forbes Park subdivision, and the Declaration of Covenants, Conditions and Restrictions applicable to Forbes Wagon Creek Ranch subdivision.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:



219117 01/03/2000 01:22P B358 P891
2 of 4 R 20.00 D 0.00 ROY D. MARTINEZ, COSTILLA

1. Forbes hereby transfers and assigns to Ranches all of its rights and obligations as Declarant pursuant to the Protective Covenants applicable to Sangre de Cristo Ranches subdivision. Ranches hereby accepts such transfer and assignment and agrees to be bound thereby, to fulfill the obligations of Declarant thereunder, and to indemnify and hold Forbes harmless therefrom.

2. Forbes hereby transfers and assigns to Ranches all of its rights and obligations as Declarant pursuant to the Declaration of Covenants, Conditions and Restrictions applicable to Forbes Park subdivision. Ranches hereby accepts such transfer and assignment and agrees to be bound thereby, to fulfill the obligations of Declarant thereunder, and to indemnify and hold Forbes harmless therefrom.

3. Forbes hereby transfers and assigns to Ranches all of its rights and obligations as Declarant pursuant to the Declaration of Covenants, Conditions and Restrictions applicable to Forbes Wagon Creek Ranch subdivision. Ranches hereby accepts such transfer and assignment and agrees to be bound thereby, to fulfill the obligations of Declarant thereunder, and to indemnify and hold Forbes harmless therefrom.

4. This is a Colorado contract and shall be governed by the laws of that state. This Contract may be modified only by written instrument signed by all the parties hereto. Any notices required herein shall be effective upon deposit in the United States mail, postage prepaid by Certified Mail or Registered Mail, return receipt requested to the last known address of the respective party to receive notice. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies under or by reason of this Agreement upon any person or legal entity other than Forbes or Ranches. This Contract shall be binding upon and shall operate for the benefit of the parties hereto, and shall be binding upon the parties respective successors, and assigns.

IN WITNESS HEREOF, the parties have hereunto set their hands and seals effective the date first written above.



Sean P. Hegarty
Sean P. Hegarty, Secretary

Forbes Family Holdings Inc.

By: *Terrence O'Connor*
Terrence O'Connor, Vice President



Assumption/Indemnity by Grantee

Sean P. Hegarty
Sean P. Hegarty, Assistant Secretary


Sangre de Cristo Ranches Inc.

By: *Sean P. Hegarty*
Sean P. Hegarty, Vice President

STATE OF NEW YORK)
COUNTY OF New York)ss.

On this 29th day of December, 1999 before me personally appeared Terrence O'Connor, to me personally known, who being duly sworn, did say that he is Vice President of Forbes Family Holdings Inc., that the seal affixed to this instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and the said Terrence O'Connor acknowledged said instrument to be the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, at my office in New York the day and year first above written.

Carol
Notary Public
County of Commission:
My Commission Expires:

CAROL MARTINEZ
Notary Public, State of New York
No. 4979321
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 25, 2001

STATE OF NEW YORK)
COUNTY OF New York)ss.

On this 29th day of December, 1999 before me personally appeared Sean P. Hegarty, to me personally known, who being duly sworn, did say that he is Vice President of Sangre de Cristo Ranches Inc., that the seal affixed to this instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and the said Sean P. Hegarty acknowledged said instrument to be the free act and deed of said corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, at my office in New York the day and year first above written.

Carol
Notary Public
County of Commission:
My Commission Expires:

CAROL MARTINEZ
Notary Public, State of New York
No. 4979321
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 25, 2001