

AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
GRANDOTE GOLF AND COUNTRY CLUB SUBDIVISION
FILING NUMBER ONE

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "**Amended Declaration**") is made effective as of the 4th day of June, 2008, by Grandote Golf and Country Club Home Owners Association, a Colorado not-for-profit corporation (the "**Association**").

RECITALS:

- A. GRANDOTE GOLF AND COUNTRY CLUB, LLC (Formerly known as WAHATOYAS, LLC, AND RTV, LLC), a Colorado limited liability company ("**GGCC**") owns at least eighty percent (80%) of the Residential Lots and all of the non-residential parcels contained in certain real property (the "**Property**") that was subdivided pursuant to a final plat recorded on August 27, 1987 as Reception Number 633, in Book 2M at page 310, in Map Case 312, Drawer (7, Folder 1) official records of the Clerk and Recorder for Huerfano County, Colorado. The Property is legally described as set forth on Exhibit A hereto. A Declaration of Covenants, Conditions, and Restrictions affecting the Property was recorded in Book 2M, at Page 310 of those records (the "**Original Declaration**"), which created a common interest community, now subject in part to the Colorado Common Interest Ownership Act, C.R.S. Section 38-33.3-101 et. seq (the "**Act**") as provided in Section 38-33.3-117 of the Act.
- B. The Property is intended to be developed as a golf resort community, including single and multi-family residential areas, open space areas, parks, recreational areas, golf course areas, walkways, drives and other similar amenities.
- C. By recording the Original Declaration, Grandote Golf and Country Club (the "**Original Declarant**") established covenants, conditions and restrictions upon the Property that constituted a general scheme for its government and for the use, occupancy and enjoyment of the Property. The purpose of the Original Declaration and of this Amended Declaration is to enhance and protect the quality of life within, and the value, desirability and attractiveness of, the Property.
- D. To preserve the value, desirability and attractiveness of the Property, Original Declarant created the Association, which had the responsibility to maintain and administer the Property's streets and right-of-ways, to administer and enforce the Original Declaration, to collect and disburse funds as provided in the Original Declaration, and to perform such other acts as set forth in the Original Declaration and as should generally benefit the Property.

E. Due to a failure to keep filings current with the Colorado Secretary of State, the Association was involuntarily dissolved on January 1, 1993. On September 30, 2004, upon the call by WAHATOYAS, a special meeting was held of the members of the Association, and they elected to reinstate the Association pursuant to C.R.S. Section 7-90-1001, as amended and to adopt an Amended and Restated Declaration of Covenants, Conditions and Restrictions as of that date (the "Existing Declaration") and to confirm WAHATOYAS as a replacement for the Original Declarant for purposes of such Existing Declaration, which was recorded in the real property records of Huerfano County at Book ___, Page _____. That Amended and Restated Declaration has now been amended, restated and replaced in its entirety by this Amended and Restated Declaration.

NOW, THEREFORE, the Association, in accordance with the terms of the Existing Declaration upon approval by in excess of 80% of the Residential Lots in the Property and 80% of the member interest in the Association, hereby amends and restates the Existing Declaration and declares and agrees that the Property shall be held, sold and conveyed subject to the following reservations, easements, limitations, restrictions, servitudes, covenants, conditions, charges and liens which are for the purpose of protecting the value and desirability of the Property and which shall run with the Property, inure to the benefit of, and be binding on all Owners and Occupants and all other parties having any right, title or interest in, or otherwise coming upon, using, or enjoying, the Property or any portion thereof, their heirs, personal representatives, administrators, executors, successors and assigns:

ARTICLE I

DEFINITIONS

As used in this Amended Declaration, the following words and terms shall have the following meanings:

AMENDED DECLARATION - This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Grandote Golf and Country Club Subdivision, Filing Number One, as amended or supplemented from time to time.

ARTICLES - The Articles of Incorporation of the Association, as they may be amended from time to time.

ASSESSMENT - All expenditures made or liabilities incurred by or on behalf of the Association which are allocated to a particular Owner or Residential Lot, together with any allocations to reserves, and including: (i) late charges, attorneys' fees, fines, and interest charged by the Association at the rate as determined by the Board; (ii) charges against a particular Owner and the Residential Lot for the purpose of reimbursing the Association for expenditures and other costs of the Association in curing any violation of the Governing Documents by the Owner or such Owner's agents (including Specific Assessments); and (iii) all Common Expenses. An

Assessment (referred to in the Act as a "common expense assessment") may be either a Regular Assessment or a Special Assessment as described in Article 8 of this Amended Declaration.

ASSESSMENT LIEN - The lien described in Article 8 of this Amended Declaration and the statutory lien established by the Act and created by the recording of the Existing Declaration as amended and restated hereby.

ASSOCIATION - The Grandote Golf and Country Club Home Owners Association, a Colorado nonprofit corporation organized to administer and enforce this Amended Declaration and to exercise the rights, powers and duties of the Association as set forth in this Amended Declaration, the Articles or Bylaws and such corporation's successors or assigns.

ASSOCIATION RULES - The rules adopted by the Board pursuant to Article 5 of this Amended Declaration.

BOARD - The Board of Directors of the Association

BUFFER AREA(S) - That portion of any Road Right-of-Way between the boundary of a Parcel and the paved area of the Road Right-of-Way.

BYLAWS - The Bylaws of the Association, as they may be amended from time to time.

COMMON AREAS - Any portion of the Property designated as Common Area pursuant to Article 4 of this Amended Declaration (referred to in the Act as "common elements").

COMMON EXPENSES - All items described as such in the Act as well as all Assessments levied by and for the benefit of the Association, pursuant to the Governing Documents, including, but not limited to: (i) annual costs and expenses of the Association; (ii) large, single item expenditures of the Association (including, but not limited to, capital expenditures and "Special Assessments" described below); and (iii) amounts necessary to fund reserves pursuant to this Amended Declaration.

CONTROLLED LANDSCAPE ZONE - Portions or areas of private sites subject to landscaping control by the Design Review Committee and within which irrigated areas are generally not suitable and the use of drought tolerant native and adapted plant species are required.

DECLARANT – GRANDOTE GOLF AND COUNTRY CLUB, LLC and any entity to which the rights and obligations of Declarant are assigned by document recorded in the real property records of Huerfano County, Colorado.

DEFAULT RATE - Eighteen percent (18%) per annum.

DESIGN REVIEW COMMITTEE - A group of three persons who shall be responsible for the administration and enforcement of this Amended Declaration and other Design Guidelines, appointed as hereinafter described and subject to the Board.

DESIGN GUIDELINES - Guidelines, as amended or supplemented from time to time, for the development of privately owned sites within the Property, as adopted by the Design Review Committee which, among other things, interpret or implement the provisions of this Amended Declaration.

FUTURE DEVELOPMENT TRACTS - The Parcels identified on the Plat as Tracts D, E, F and G.

GOLF COURSE OWNER – GRANDOTE GOLF AND COUNTRY CLUB, LLC and any successor owner of the Grandote Peaks Golf Course.

GOLF COURSE TRACTS - The Parcels identified on the Plat as Tracts A and B.

GOVERNING DOCUMENTS - This Amended Declaration, the Plat, the Articles, the Bylaws and the Rules and Regulations.

GRANDOTE PEAKS GOLF COURSE - The real property commonly known by such name and currently owned by GRANDOTE GOLF AND COUNTRY CLUB, LLC, including the Golf Course Tracts, which is used for the conduct of the game of golf and related golfing activities and the construction of golf course related structures.

IMPROVEMENTS - Each and every change, alteration, or addition of any kind whatsoever to any portion of the Property, including, but not limited to, any excavation, grading, fill work, building, walkway, driveway, road, parking area, wall, fence, swimming pool, utility installation, drainage facility, stair, patio, courtyard, pole, sign, or landscaping and any and all components of any of the foregoing (including, but not limited to, exterior paint, texture, color and finish scheme) and any and all modifications or alterations of or additions to any of the foregoing.

OCCUPANT - The family, tenants, guests, employees, invitees, licensees, and agents of any Owner.

OWNER - The record holder of legal title to the fee simple interest in any Parcel, including a purchaser of a Parcel who holds equitable title to the Parcel pursuant to a recorded contract of sale, but excluding others (including trustees under deeds of trust) who hold title merely as security for performance of an obligation or the seller under a recorded contract of sale. An Owner shall include each person who holds title to a Parcel in joint tenancy, tenancy in common, as a community property, or in other form of joint ownership. An Owner shall also include any homeowners' or property owners' association, trust, or similar organization owning any portion of the Property, including the Association.

PARCEL - Any lot, tract or parcel within the Property, which is designated for separate ownership (referred to in the Act as a "unit").

PLAT - The final plat of the Property, recorded in the Clerk and Recorder's office of Huerfano County, Colorado as set forth in the Recitals above.

PROPERTY – The property defined as such in the Recitals hereto. The Property includes the Residential Lots, the Reception Area Tract, the Golf Course Tracts, the Future Development Tracts and the Road Rights-of-Way. Notwithstanding the foregoing, any Parcel may be excluded from the definition of the Property and from the benefits granted by this Amended Declaration as provided in Article 13 below; and a parcel adjacent to the Subdivision may be added to the Property by approval of the owners of 80% or more of the Residential Lots.

RECEPTION AREA TRACT - The Parcel identified on the Plat as Tract C.

RESIDENTIAL LOTS - Any Parcels, lots or tracts of land identified on the Plat, future plats or subdivision of the Property and designated for single or multi-family dwellings.

ROAD RIGHTS-OF-WAY - The areas identified on the Plat as road rights-of-way, which areas are intended to be part Common Area and part Buffer Area.

RULES AND REGULATIONS - All rules, regulations, policies, procedures and guidelines of the Association, in general, and the Design Review Committee, specifically, as the same may be adopted and amended from time to time by the Board pursuant to this Amended Declaration, the Bylaws and the Act. All Rules and Regulations shall have the force and effect as if they were set forth in this Amended Declaration.

SPECIFIC ASSESSMENTS - Any charges established pursuant to the Governing Documents that may be levied against any Residential Lot or the Owner thereof, including, without limitation, reasonable fines, and the cost of repairs to the Common Area and Roads caused by an Owner or such Owner's agents. All such Specific Assessments shall be due and payable on demand.

ARTICLE 2

SUPERSEDEENCE OF ORIGINAL DECLARATION, ORIGINAL ASSOCIATION AND ORIGINAL DECLARANT

This Amended Declaration amends, restates, supersedes and replaces the Original Declaration (as well as the Existing Declaration) in its entirety. The Declarant is not a legal successor to the Original Declarant. Neither the Association, the Declarant, nor the current, or any future Golf Course Owner shall have any liability for any acts or omissions of the Original Declarant. Notwithstanding the foregoing, nothing herein shall impair or affect any easement granted in or pursuant to the terms of the Original Declaration or the Plat of the Property.

ARTICLE 3

LAND USE CLASSIFICATIONS

PERMITTED USES - The Property may be used solely for the uses set forth below:

Residential Lots may be used for residential purposes only.

The Reception Area Tract may be used solely for purposes of facilitating the real estate sales program for the Property, providing general Property information, providing security for the Property, or (upon recorded designation as such by the Declarant) as Common Area.

The Golf Course Tracts may be used solely in connection with the activities of the Grandote Peaks Golf Course.

The Future Development Tracts may be used for some future unspecified land use as determined by the Declarant; provided that no building permits or uses on the Future Development Tracts will be allowed until such time as approved by the Town of La Veta, Board of Trustees through the processes outlined in the Town of La Veta Land Development Guide in effect from time to time.

The Road Rights-of-Way may be used solely for roadway access and utility installations to serve the Property (and any adjacent property as approved by the Golf Course Owner) and for landscaping and driveways (to serve adjacent Parcels) within the portions thereof that are Buffer Areas.

GRANDOTE GOLF AND COUNTRY CLUB FILING NO. 1- The Declarant may modify or amend any existing Grandote Golf and Country Club Filing No. 1 Plan approved by the Trustees of The Town of La Veta and dedicate portions of the Property to appropriate governmental entities for use as roadways, streets, greenbelts, drainage facilities, parks, open space, or other similar uses. If a modification or an amendment to any existing Grandote Golf and Country Club Filing No. 1. Plan would materially alter that Grandote Golf and Country Club Filing No. 1 as it relates to any Parcel no longer owned by the Declarant, the prior written consent to such amendment or modification shall be required from at least fifty-one percent (51%) of the Owners owning such Parcel.

ARTICLE 4

EASEMENTS AND RIGHTS OF ENJOYMENT IN COMMON AREAS AND BUFFER AREAS

COMMON AREAS - The paved portions of the Road Rights-of-Way are denominated Common Areas. In addition, from time to time, the Golf Course Owner may designate as Common Areas portions of the Property or rights therein (such as easements), such designation to be accomplished by the conveyance of the portion of Property so designated to the Association or by the recordation of an easement or other appropriate document in favor of the Association with respect to such portion of the Property, or right therein. However, if the portion of the Property, or right therein, designated is not then owned by the Golf Course Owner, the prior written consent of the Owner upon such terms and conditions as such Owner may require, shall be required. If such consent is not obtained, then the property or right therein shall not be Common Area. No Improvements shall be constructed or placed on any of the Common Areas, with the exception of landscaping (including perimeter and other walls, planters, entryway and road beautification structures and designs (excluding, however, guard houses, security gates, or similar structures) and appropriate landscape lighting, necessary public utilities, identification signs, walkways, paths, drainage

facilities, maintenance facilities used in connection with Common Area maintenance, or other Improvements required by Huerfano County or the Town of La Veta.

EASEMENT OF ENJOYMENT - Subject to the rights of the Association and the provisions of the Governing Documents, every Owner and Occupant shall have the right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Parcel, subject to the Articles of this Amended Declaration.

EASEMENTS FOR GOLF COURSE - All Parcels are burdened with an easement permitting: i.) golf balls unintentionally to come upon such Parcels as a result of golf being played on the Golf Course, and ii) golfers at reasonable times and in a reasonable manner to come upon the Common Areas and the exterior portions of Residential Lots to retrieve errant golf balls; provided, however, if any Parcel is fenced or walled, the golfer shall seek the Owner's permission before entry. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: the Declarant, the Golf Course Owner, the Association or its Members (in their capacity as such or as members of the Board). Parcels or Common Area immediately adjacent to the Golf Course are hereby burdened with a non-exclusive easement in favor of the Golf Course for overspray of water from any irrigation system serving the Golf Course. Under no circumstances shall the Association or the Golf Course Owner be held liable for any damage or injury resulting from such overspray or the exercise of this easement. The Golf Course Owner, and its respective successors and assigns, shall have a perpetual, exclusive easement of access over the Project Area for the purpose of retrieving golf balls from bodies of water within the Common Area lying reasonably within range of golf balls hit from the Golf Course.

ASSOCIATION RIGHTS WITH RESPECT TO COMMON AREAS - In addition to any other rights specifically granted to the Association by the Governing Documents or the Act, the Association shall have the right to:

- Levy assessments solely against the Owners of Residential Lots for the maintenance of the Common Areas and pay expenses incurred in connection with the Common Areas;

- Dedicate, grant easements over, or transfer all or part of the Common Areas to any public agency, authority, or utility so long as the transferee agrees to permit the Common Areas transferred to be used for substantially the same purpose as existed prior to the transfer;

- Regulate the use of the Common Areas through Rules and Regulations.

BUFFER AREAS - Each Owner and Occupant of a Parcel shall have a non-exclusive easement to use and enjoy any Buffer Area adjoining the Parcel owned by the Owner. No Improvements, other than landscaping or driveways which the Owner of the Buffer Area has approved, shall be made to any Buffer Area by any Owner or Occupant.

ARTICLE 5

USE RESTRICTIONS

MAINTENANCE OF LANDSCAPING - Each Owner of a Parcel shall maintain that Parcel and any Buffer Area adjoining the Parcel in good condition and repair as that standard may be determined from time to time by the Design Review Committee, keeping the Parcel clean and free of trash, rubbish, debris, weeds, dead or decaying vegetation, other unsightly material, and any plant or other vegetation which the Design Review Committee determines, for aesthetic or health reasons, should not be permitted within the Property.

REPAIR OF IMPROVEMENTS - No Improvement on any Parcel shall be permitted to fall into disrepair, and each Improvement shall, at all times, be kept in good condition and repair and adequately painted or otherwise finished, all as determined from time to time by the Design Review Committee. If any Improvement is damaged or destroyed, such Improvement shall be immediately repaired or rebuilt (after the approvals required by this Amended Declaration have been obtained) or shall be demolished.

CONSTRUCTION ACTIVITIES - Normal and reasonable construction activities and parking in connection with an Improvement on a Parcel, as determined by the Design Review Committee, shall not be considered a nuisance or otherwise prohibited by this Amended Declaration. Contractors, agents or suppliers shall not, in the course of construction, use any roads within the Property that the Board designates as off-limits for construction vehicles. In addition, any construction equipment and building materials stored or kept on any Parcel during construction of Improvements may be kept only in areas approved by and screened in accordance with the requirements of the Design Review Committee. All construction refuse shall be contained on the Parcel where the construction is in progress, in an appropriate refuse container. All construction work shall be carried forward diligently from commencement until completion so that the Parcel shall not remain in a partly finished condition any longer than reasonably necessary for the completion of the construction work. No construction trailers or similar facilities shall be permitted in connection with construction on any Parcel without the approval of the Design Review Committee. Any trailers or similar facilities approved for use during construction shall be removed immediately following the completion of construction.

COMPLIANCE WITH LAWS - All uses, activities and Improvements on any Parcel shall conform to and be done in compliance with all applicable governmental laws, rules, and regulations, including, but not limited to, building and safety codes, zoning regulations and the requirements set forth in the various agency land development approvals.

MACHINERY AND EQUIPMENT - No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Parcel except for machinery or equipment which is usual and customary in connection with the construction (but only during the period of construction), use, or maintenance of an Improvement including machinery or equipment which Declarant or the Association may require for the operation and maintenance of the Property or the

performance of their respective duties under this Amended Declaration, or machinery or equipment which is usual or customary in connection with the activities conducted on a Parcel.

EXTERIOR APPLIANCES AND EQUIPMENT - Following completion of an Improvement, any and all exterior appliances and equipment of every kind or nature on any Residential Lot shall be architecturally concealed from view, in accordance with plans approved by the Design Review Committee. If strict compliance with this Section would prevent a solar energy device from being functional or would otherwise effectively prohibit the installation or use of a solar energy device, then compliance with the requirements of this Section, as to the solar energy device, shall be required only to the extent reasonably consistent with the installation and use of the device.

SIGNS - No signs whatsoever shall be erected or maintained on any Residential Lot except:

Signs required by legal proceedings;

One (1) identification sign (which may be lighted) for each individual residence, provided the sign and the location for the sign has received the prior written approval of the Design Review Committee;

Such other signs (including, but not limited to, construction job identification signs, builders' signs, subdivision identification signs, "for sale" signs and "for lease signs") as are in conformance with the requirements of Huerfano County and the Town of La Veta and which have been approved in advance and in writing by the Design Review Committee as to size, content, color design, number and location.

LIGHTING - Exterior lights will be allowed on any Residential Lot only to the extent, as determined by the Design Review Committee, that they do not interfere or compete with the night-time views of the surrounding mountains. Lighted entry pylons at the entrance to each driveway providing lighted identification of the address shall be required of each Owner as part of any Improvement to the Parcel. The entry pylons must be illuminated from dusk to dawn.

STORAGE TANKS - All fuel tanks, propane tanks, water tanks, or similar storage facilities on Residential Lots shall be installed or constructed underground. This excludes five gallon propane tanks for outdoor gas grills.

TENNIS COURTS - Tennis courts shall not be permitted on any Residential Lot without the specific approval of the Design Review Committee.

HEIGHT RESTRICTIONS - The maximum permitted height for any Improvement on any Residential Lot, excluding any chimneys, is 35 feet, with the height being measured from the highest, preconstruction natural grade within the perimeter of the Improvement to the highest projection of the Improvement. Any deviation from the above must be approved by the Design Review Committee.

TRUCKS, TRAILERS, CAMPERS and BOATS - No mobile home, travel trailer, recreational vehicle, tent trailer, trailer, camper, detached camper shell, boat, boat trailer, motor vehicle classed by manufacturer rating as exceeding 3/4 ton, or other similar equipment or vehicle shall be parked, maintained, constructed, reconstructed or repaired on any Parcel or on any street within the Property unless appropriately screened from view as determined by the Design Review Committee; provided, however, the provisions of this Section shall not apply to:

Pickup trucks of less than 3/4 ton capacity with camper shells not exceeding seven (7) feet in height measured from ground level and mini-motor homes not exceeding seven (7) feet in height and eighteen (18) feet in length, provided such vehicles are parked as provided for in this Amended Declaration and are used on a regular and recurring basis for basic transportation;

Emergency vehicle repairs, for a period of time reasonably necessary to make such repairs and provided such repairs are commenced promptly and carried forward with due diligence to completion; or

Temporary construction trailers as approved by the Design Review Committee in accordance with these Amended Declarations.

PARKING - No vehicles shall be parked or maintained on any public or private street within the Property except for such periods of time as shall be reasonably necessary to load or unload, except as otherwise provided in this Section. An Owner may seek prior written approval from the Board to park vehicles on the streets within the Property during special events such as social gatherings. Owners shall comply with all Rules and Regulations affecting parking within the Property. All vehicles are to be kept in enclosed garages on Residential Lots or appropriately screened from view, as determined by the Design Review Committee.

GARAGE DOORS - Garage doors shall be maintained in a closed position during all reasonable times. No plastic or metal garage doors shall be permitted. Carports and parking canopies shall not be permitted on Residential Lots unless carports and canopies are architecturally integrated into the primary building structure to which they are ancillary and shall be appropriately screened from view, as determined by the Design Review Committee.

NO OBSTRUCTIONS TO DRAINAGE - No activity or construction shall be permitted which would interrupt the normal drainage of the land nor shall any Improvement be permitted within any area designated on a recorded document as a "drainage easement".

UTILITY SERVICE - All gas, electric, telephone, water, sewer, cable television and other utility or service lines and all other lines, pipes, cables, or conduits of every kind or character (whether now existing or hereafter invented or used) shall be placed and kept underground, except to the extent, if any, such underground placement may be prohibited by law or, by the nature of the service to be rendered, such underground placement prevents the lines from being functional. This restriction shall not prohibit temporary power or telephone structures approved by the Design Review Committee and which are incident to the construction of Improvements.

NUISANCES AND OFFENSIVE ACTIVITIES - No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Parcel. No odors or loud noises shall be permitted to arise or emit from any Parcel. No use or activity shall be undertaken or permitted on any Parcel which constitutes an annoyance to surrounding Owners or Occupants or a public or private nuisance or which would render any Parcel (or activity thereon) unsanitary, unsightly, unsafe, offensive or detrimental to any other property in the vicinity of the Parcel or to the Owners or Occupants of such other property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, firecrackers, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Parcel. In no event shall the Association be responsible for guaranteeing the elimination of any nuisances or offensive activities.

TRASH CONTAINERS AND COLLECTION - No garbage or trash shall be placed or kept on any Parcel, except in covered containers of a type, size and style which are approved by the Design Review Committee. In no event shall such containers be maintained so as to be visible from neighboring property except to make the same available for collection and then only for the shortest time reasonably necessary to effect such collection. The Design Review Committee may also, in its discretion and at its option, designate the location on a Parcel where such containers shall be stored between collection times in order to protect adjacent properties from noise or odors emitting from the use of such containers. No rubbish, trash, garbage or debris of any kind shall be burned within the Property. No outdoor incinerators shall be kept or maintained on any Parcel.

DISEASES AND INSECTS - No Owner shall permit any thing or condition to exist upon such Owner's Parcel which shall induce, breed or harbor infectious plant diseases or noxious insects.

MODEL HOMES - The provisions of this Amended Declaration which may prohibit nonresidential use of Residential Lots and which regulate parking of vehicles shall not prohibit the construction and maintenance of model homes by persons engaged in the construction or marketing of residential dwellings within the Property or parking incidental to the visiting of such model homes, so long as the location of such model homes and parking areas is approved in advance by the Design Review Committee. Any homes constructed as model homes shall cease to be used as model homes at any time when the owner thereof is not actively engaged in the construction and sale of residential dwellings within the Property, and no home shall be used as a model home for the sale of homes not located within the Property.

GREENHOUSES - Greenhouses shall be permitted within the Property provided they are appropriately screened from view as determined by the Design Review Committee.

RESIDENTIAL LOT RESTRICTIONS Any replat requests and or changes pertaining to residential lots in the subject "Property" must be pre- approved by the Grandote Golf and Country Club Home Owners Association.

FORMATION OF ASSOCIATIONS - No homeowners' association, property owner's association or similar organization (other than the Association) shall be formed with respect to any portion of the Property until the organizational documents (including the article of incorporation and bylaws) have been reviewed and approved by the Board. Any and all modifications to such articles or bylaws shall also require the prior approval of the Board. The consents required by this Section shall not be unreasonably withheld.

TEMPORARY OCCUPANCY - No trailer, vehicle, mobile home, basement of any incomplete building, tent, shack, garage, barn, or temporary building or structure of any kind shall be used at any time for a residence, either temporary or permanent, without prior written approval by the Board.

ANIMALS - No domestic animal, other than dogs, cats, fish and birds, shall be maintained on any Parcel. Not more than three (3) animals shall be permitted on any Parcel and then only if they are kept, bred or raised solely as domestic pets and not for commercial purposes. No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance. The Board shall have the right, in its sole and absolute discretion, to determine what is an unreasonable amount of noise or whether a particular animal is a nuisance, and the determination of the Board shall be final and conclusive. No structure for the care, housing or confinement of any animal shall be maintained so as to be visible from neighboring property.

ANTENNAS, FLAG POLES - No antenna, satellite dish, or other device for the transmission or reception of television, radio, or any other form of electromagnetic radiation shall be erected, used or maintained on any Parcel unless appropriately screened from view except as provided in Rules and Restrictions for Antenna Installation, Maintenance and Use adopted by the Board, as the same may be amended from time to time by the Board. No flag poles over fifteen (15) feet high shall be erected, used or maintained on any Parcel. See Rules and Restrictions for Antenna Installation, Maintenance and Use.

MINERAL EXPLORATION - No Parcel shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

CLOTHES DRYING FACILITIES - Outside clothes lines or other outside facilities for drying or airing clothes shall not be permitted

NONRESIDENTIAL USE - No occupation, profession, trade, business or other nonresidential use shall be conducted on any Residential Lot which is developed with a residential dwelling unit, and no person shall enter upon such a Residential Lot for the purpose of engaging in such uses or for the purpose of receiving products or services arising out of such usage.

LEASING AND RENTING - The term "lease", as used herein, shall include any agreement for the leasing or rental of a Residential Lot. Owners shall have the right to lease their Residential Lots only under the following conditions:

- (A) All leases shall be in writing.
- (B) All leases shall provide that the terms of the lease and the lessee's occupancy of the Residential Lot shall be subject in all respects to the provisions of this Amended Declaration, the Articles of Incorporation, the Bylaws, Rules and Regulations and Design Guidelines, as the same may be amended from time to time, and that any failure by the lessee to comply with the Governing Documents, in any respect, shall be a default under the lease, said default to be enforceable by the Board, the Owner/landlord, or both of them.
- (C) No lease shall be for a term of less than ninety (90) days.
- (D) Owners' right to lease is expressly conditional upon applicable Rules and Regulations.
- (E) Any Owner who leases his Residential Lot shall forward a copy of the lease to the Association within ten (10) days after the execution by Owner and the tenant/lessee. If the Owner shall lease same to a third party, such lease shall be in writing and shall specifically advise the tenant that the tenant is subject to this Amended Declaration, and the Bylaws, Articles of Incorporation, and Rules and Regulations of the Association, the same as if the tenant were an Owner. If a tenant shall violate any such obligation, the Owner, as well as the tenant shall be subject to penalty the same as if he had violated such documentary provision himself.

VARIANCES - The Board may, at its sole option and in extenuating circumstances, grant variances from the restrictions set forth in this Article 5 if the Board determines, in its sole discretion:

That either enforcement of a particular restriction would create a substantial hardship or burden on an Owner or Occupant, or a change of circumstances since the recordation of this Amended Declaration has rendered such restriction obsolete; and

That the activity permitted under the variance will not have any substantial adverse effect on the Owners and Occupants within the Property and is consistent with the high quality of life intended for residents of Grandote Golf and Country Club.

ARTICLE 6

ASSOCIATION

FORMATION OF ASSOCIATION - The Association, acting in all instances through the Board, shall have those powers and duties prescribed by the Governing Documents and the Act. Neither the Articles nor Bylaws shall be amended or otherwise changed or interpreted, for any reason, so as to be inconsistent with this Amended Declaration, the Articles or the Act. If there is an inconsistency, the provisions of this Amended Declaration shall control over the inconsistent provisions of the Articles or Bylaws.

POWERS AND DUTIES - The Association shall have, but shall not be limited to, the following powers and duties:

Subject to the restrictions and limitations contained in this Amended Declaration, the Association may enter into contracts and transactions with others, including the Golf Course Owner and its affiliated companies, and such contracts or transactions shall not be invalidated or in any way affected by the fact that one or more directors or officers of the Association or members of any committee is employed by or otherwise connected with the Golf Course Owner or its affiliates, provided that the fact of such interest shall be disclosed or known to the other directors acting upon such contract or transaction, and providing further that the transaction or contract is fair and reasonable. Any such director, officer or committee member may be counted in determining the existence of a quorum at any meeting of the Board or committee of which he is a member which shall authorize any contract or transaction described above or grant or deny any approval sought by the Golf Course Owner, its affiliated companies or any competitor thereof and may vote thereat to authorize any such contract, transaction or approval with like force and effect as if he were not interested.

The Association shall maintain insurance as hereinafter provided.

The Association may improve the Common Areas (subject to the limitations in Article 4), and shall manage and maintain the Common Areas at a reasonably high standard of care, reflecting the superior quality of the Grandote Golf and Country Club environs.

The Association shall approve or reject standards and procedures adopted from time to time by the Design Review Committee, and may adjust such reasonable Association Rules as it deems necessary or appropriate from time to time.

The Association shall have the right to levy and collect assessments and expend funds as provided in Article 8 of this Amended Declaration.

The Association shall have the right to do such other things as are expressly authorized in this Amended Declaration for the Association, the Board, or any committee of either to perform, as well as such things as are reasonably necessary or proper for, or incidental to, the exercise of such express powers and duties.

The Association shall perform the functions and discharge the obligations delegated to or imposed upon the Association, the Board or any committee of either.

PERSONAL LIABILITY - No member of the Board or of any committee of the Association, no officer of the Association, and no manager or other employee of the Association shall be personally liable to any Owner, or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the

Association, the Board, the manager, any representative or employee of the Association, or any committee member or officer of the Association; provided, however, the limitations set forth in this Section shall not apply to any person who has engaged in willful or intentional misconduct. The corporation shall be entitled to indemnify its members, directors, officers, employees, and agents as provided in the Bylaws.

ARTICLE 7

MEMBERSHIP AND VOTING

MEMBERSHIP - Every Owner of a Residential Lot (including the Declarant, so long as it owns any Residential Lot) shall be a member of the Association. Owners of Parcels other than Residential Lots shall not have any right to membership in the Association by reason of such ownership. An Owner of a Residential Lot shall remain a member of the Association until such time as he ceases to be an Owner of such Residential Lot, at which time his membership in the Association shall automatically cease. Ownership of a Residential Lot shall be the sole qualification and criterion for membership. Membership shall be appurtenant to and may not be separated from ownership of any Residential Lot. A membership in the Association shall not be transferred, pledged or alienated in any way except on the sale of such Residential Lot and then only to the purchaser, or by interstate succession, testamentary disposition, trustee's sale, foreclosure of mortgage of record, or other legal process. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event an Owner of a Residential Lot fails or refuses to transfer the membership registered in his name to the purchaser of such Residential Lot, the Association shall have the right to record the transfer upon the books of the Association and thereupon the old membership outstanding in the name of the seller shall be null and void as though the same had been surrendered. Voting within the Association shall be in accordance with the Bylaws. No certificates of membership shall be issued, and memberships shall be evidenced by an official list of Owners kept by the secretary of the Association. Membership in the Association does not constitute any kind of membership in a golf club or give members any right to play or use the Grandote Peaks Golf Course.

ARTICLE 8

ASSESSMENTS

PURPOSES - The Association shall apply all funds collected and received by it for the common good and benefit of the Property and the Owners and to enforce all terms and conditions of the Governing Documents and the Act by devoting those funds solely to payment of the expenses of the Association incurred in carrying out its powers and duties as specifically enumerated in this Amended Declaration, the Articles, the Bylaws or as otherwise provided by law. Without limiting the generality of the foregoing provisions, no funds of the Association shall be used to carry on propaganda or otherwise to attempt to influence legislation and the Association shall make no gift, donation or contribution to any organization engaged in such activities. All Assessments shall be

paid solely by Residential Lot Owners. Owners of Parcels other than Residential Lots shall have no obligation to pay any Assessments with respect to such Parcels.

CREATION OF LIEN; PERSONAL OBLIGATION - Each Owner of a Residential Lot, by acceptance of the deed or other instrument making such person an Owner (whether or not it shall be so expressed in such deed) by executing this Amended Declaration is deemed to covenant and agree to pay to the Association any Assessments established from time to time as provided in this Amended Declaration. All Assessments, together with interest at the Default Rate from the due date until paid, costs and reasonable attorneys' fees of the Association incurred in connection with enforcement and collection of any Assessment or in otherwise enforcing this Amended Declaration, and any other costs or expenses stated in this Amended Declaration to be secured by an Assessment Lien, shall be charge on, and shall be a continuing servitude and lien upon, the Residential Lot against which each such Assessment is made. Each Assessment, together with interest at the Default Rate, costs and reasonable attorney's fees as described above, shall also be the personal obligation of the person who was the Owner of the Residential Lot on January 1st of a given year, with respect to the Regular Assessment for that year or, with respect to any other Assessment, on the date such Assessment was levied by the Board. The personal obligation for Assessments shall not pass to the successors in title of the Owner of a Residential Lot unless expressly assumed by them; however, an Assessment Lien with respect to any Assessment shall continue as a charge and lien on the Residential Lot in the hands of the subsequent Owner. A lien under this Article is prior to all other liens and encumbrances on a Residential Lot except the following: (i) as otherwise provided in the Act (i.e. the Association's statutory lien for Assessments is prior to a first lien security interest recorded on or after July 1, 1992, to the extent provided in the Act) and (ii) liens for real estate and other governmental taxes. The lien under this Article is not subject to the provision of any homestead exemption as allowed under State or Federal law.

REGULAR ASSESSMENTS - In order to provide funds to enable the Association to carry out its powers and duties pursuant to this Amended Declaration, including the establishment of appropriate and reasonable reserves, at least thirty (30) days prior to the beginning of each calendar year, commencing with the first full year after the year in which this Amended Declaration is recorded, the Board shall estimate the total expenses of the Association for the upcoming year and shall assess against each Residential Lot a Regular Assessment. The Regular Assessment for each Residential Lot shall be an amount equal to the product of: (a) the estimated total expenses; times (b) a fraction, the numerator of which is 1 and the denominator of which is the total number of Residential Lots covered by this Amended Declaration. Written notice of the annual Regular Assessments shall be sent to each Owner. During the year, the Board may revise the amount of the Regular Assessments in order to meet expenses which exceed the amounts anticipated by the Association and collect such increased Assessments. These assessments are due no later than December 31st of the year assessed. Failure to pay these assessments will result in a penalty charged to the home owner at a rate of 18% per annum.

SPECIAL ASSESSMENTS - If the need for maintenance or repair of any Common Area is caused through the willful or negligent act of any Owner, his family, guests, invitees, or any other person or Occupant using the Common Area with the permission of the Owner, the cost of such maintenance or repairs shall constitute a Special Assessment against such Owner and against each

Residential Lot owned by such Owner and shall be secured by an Assessment Lien against each Residential Lot of the Owner. If any portion of any Residential Lot is maintained so as to present a public or private nuisance or to detract substantially from the appearance or quality of the surrounding Residential Lots or other areas of the Property or if any portion of a Residential Lot is being used in a manner which violates this Amended Declaration or if any Owner or Occupant is failing to perform any of its obligations under this Amended Declaration or to abide by any of the provisions of this Amended Declaration, the Board may, by resolution, make a finding to such effect. The resolution of the Board shall specify the particular condition or conditions which exist, and notice shall be given to the Owner of the subject Residential Lot that unless corrective action is taken within fourteen (14) days of receipt of the notice, the Board may cause such action to be taken at the Owner's cost or the Board may commence appropriate legal action, whether at law or in equity, to compel compliance with this Amended Declaration. If, at the expiration of the 14-day notice, the requisite corrective action has not been taken, the Board shall have the right to cause corrective action to be taken and/or to commence appropriate legal action and all costs thereof, including court costs and attorneys' fees, shall bear interest from the date incurred until paid at the Default Rate and shall be a Special Assessment against the offending Owner and against each Residential Lot owned by the Owner and shall be secured by an Assessment Lien against each Residential Lot of the Owner

PROCEDURES REGARDING BILLING AND COLLECTIONS - Assessments shall be paid in monthly, quarterly, or annual installments, as determined by the Board and specified in the Notice of Regular Assessments sent to each Owner of a Residential Lot. The Board may adopt Rules and Regulations setting forth procedures for the purpose of making, billing for and collecting the Assessments.

REFUNDS; OFFSETS - The Association shall be under no duty to refund any payments received by it even though the ownership of a Residential Lot changes during a year. No offset against an Assessment shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties or responsibilities under this Amended Declaration. No Owner of a Residential Lot may exempt himself from liability for any Assessment by waiver of the use or enjoyment of the Common Area or by abandonment of his Residential Lot, or any Improvement thereon.

COLLECTION COSTS AND INTEREST ON DELINQUENT ASSESSMENTS - Any Assessment or installment thereof which is not paid when due shall be deemed delinquent and shall bear interest from the due date until paid at the Default Rate, and the defaulting Owner of a Residential Lot shall be liable for all costs, including attorneys' fees, which may be incurred by the Association in collecting the delinquent amount. The Board may also record a Notice of Delinquent Assessment against any Residential Lot as to which an Assessment is delinquent and may charge a reasonable fee to reimburse the Association for the Association's cost in recording such Notice and otherwise processing the delinquency, and that fee shall be treated as a collection cost of the Association, secured by the Assessment Lien.

STATEMENTS OF ASSESSMENTS - The Association shall furnish statements of Assessments as provided by the Act.

PROPERTY EXEMPTED FROM ASSESSMENTS -Any Residential Lot owned by the Association shall be exempt from any Assessments pursuant to this Amended Declaration, during such time as it is owned by the Association.

ASSOCIATION REMEDIES - If any Owner of a Residential Lot fails to pay the Assessments or installments when due, then, in addition to any other rights and remedies contained in this Amended Declaration or otherwise available at law or in equity, the Association may enforce the payment of the Assessments and/or the Assessment Lien by taking either or both of the following actions, concurrently or separately (and, by exercising either of the remedies set forth below or any other remedy, the Association does not prejudice or waive its right to exercise the other remedy of any other right or remedy):

Bring an action at law and recover judgment against the Owner personally obligated to pay the Assessment; and/or

Foreclose the Assessment Lien against the Residential Lot in accordance with the then prevailing Colorado law relating to the foreclosure of realty mortgages (including the right to recover any deficiency).

SUBORDINATION OF ASSESSMENT LIEN TO FIRST MORTGAGE OR DEED OF TRUST; PRIORITY OF ASSESSMENT LIEN - The Assessment Lien shall be subordinate to any first mortgage or deed of trust on the affected Residential Lot. The Assessment Lien shall be subordinate to liens for taxes and other public charges which by applicable law are expressly made superior. Except as above provided, the priority of any Assessment Lien relates back to the date of recordation of this Amended Declaration and each Assessment Lien shall be superior to any and all charges, liens or encumbrances which hereafter in any manner may arise or be imposed upon any Residential Lot. Sale or transfer of any Residential Lot shall not affect the Assessment Lien unless the sale or transfer is pursuant to foreclosure of a first mortgage or first deed of trust or pursuant to any trustee's sale or any proceeding in lieu thereof. In that case, the purchaser at the mortgage foreclosure or deed of trust sale or any grantee taking by deed in lieu of foreclosure shall take the Residential Lot free of the Assessment Lien for all Assessments that have occurred up to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure. Such purchaser or grantee, however, shall be liable for all Assessments and associated Assessment Liens occurring subsequent to the date of issuance of a sheriff's or trustee's deed or deed in lieu of foreclosure.

SURPLUS FUNDS - The Association shall not be obligated to spend in any year all the sums received by it in such year (whether by way of Assessments, fees or otherwise), and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Regular Assessment in the succeeding year if a surplus exists from a prior year and the Association may carry forward from year to year such surpluses as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

ARTICLE 9

DESIGN REVIEW COMMITTEE

APPROVAL OF PLANS - No Improvement or construction of any kind shall be commenced, erected or maintained within any portion of the Property unless and until detailed plans and specifications (including site plans) showing the proposed nature; location; identity, type, and quality of proposed materials; size; area; height; color; shape; and design of the proposed Improvements, as well as any other matters required by this Amended Declaration or by the Design Guidelines described in Article 9 below, have first been approved by the Design Review Committee. No improvement shall be commenced, erected or maintained within the Property except in compliance with this Amended Declaration and with the approved plans and specifications for such Improvement.

ESTABLISHMENT - The Design Review Committee shall consist of a minimum of three (3) members appointed as set forth in this Section. The members of the Design Review Committee need not be architects, Owners, or Occupants and do not need to possess any special qualifications. Design Review Committee members shall serve for a term of one (1) year and will be automatically reappointed unless replaced. Declarant may replace a committee member at any time during the term of said committee members term, or in the event of a member resignation or if a member is unable to serve for any reason. Until the date (the "Declarant Control Date") that is the later of i) the tenth anniversary of recordation of this Amended Declaration, or ii) the first date that more than 50% of the Residential Lots have been sold to parties other than the Declarant, the Design Review Committee shall consist of three members who shall be appointed by Declarant. Commencing on the Declarant Control Date and ending twenty (20) years following the date of recordation of this Amended Declaration, one (1) member shall be elected by majority vote of the Owners and the other two (2) members shall be appointed by the Board. Commencing twenty (20) years following the date of recordation of this Amended Declaration, all three (3) members shall be elected by a majority vote of the Owners.

MEETINGS - The Design Review Committee shall hold meetings as necessary. A quorum for such meetings shall consist of a majority of the members, and the affirmative vote of a majority of the members shall be necessary for any decision of the Design Review Committee. The Design Review Committee shall keep and maintain a record of all actions taken at its meetings.

DESIGN STANDARDS AND COMMITTEE PROCEDURES - The Design Review Committee shall promulgate written design standards and Design Review Committee procedures (collectively, "Design Guidelines") to be followed by Owners in preparing and submitting plans and specifications for proposed Improvements, in rendering its decisions and otherwise performing its functions under this Amended Declaration. The Design Guidelines adopted from time to time by the Design Review Committee must be approved by the Board prior to their implementation and once approved by the Board in the manner described in Article 6 of this Amended Declaration, shall be effective as Association Rules. Subject to the provisions of this Article 9, the decision of the Design Review Committee shall be final on all matters submitted to it pursuant to this Amended Declaration. Design standards and Design Guidelines shall not be inconsistent with the

terms of this Amended Declaration and if there are any inconsistencies, the provisions of this Amended Declaration shall control. Existing homes prior to November 17, 2006, must comply with the original design guidelines which were amended and restated November, 2004. Further modifications to said home must also comply with the guidelines adopted November, 2004 and must be reviewed and pre-approved by the Design Review Committee.

APPEAL TO BOARD - Any Owner or Occupant dissatisfied by a decision of the Design Review Committee may appeal the decision of the Design Review Committee to the Board in accordance with procedures to be established by the Board. If the decision of the Design Review Committee is overruled by the Board on any issue or question, the prior decision of the Design Review Committee shall be deemed modified to the extent specified by the Board.

FEE(s) - Should the Design Review Committee find it necessary to engage the services of an outside consultant, i.e. architect, engineer etc. in order to complete a design review, those fees will be passed on to the party requesting at cost and must be paid prior to final approval. The Design Review Committee shall not engage such consultant(s) without permission from the requesting party in writing. An estimate of the costs involved must be included. Failure to approve an engagement of a consultant as requested by the Design Review Committee may be sufficient basis for rejecting the homeowners plans. Any request by the Design Review Committee for engagement of a consultant must be provided in writing to the homeowners and accompanied by the estimated cost of each engagement.

COMPENSATION; DELEGATION - Unless authorized by the Board, the members of the Design Review Committee shall not receive any compensation for services rendered. All members shall be entitled to reimbursement from Association funds for reasonable expenses incurred by them in connection with the performance of any Design Review Committee function or duty. Professional consultant retained by the Design Review Committee shall be paid such compensation as the Design Review Committee determines. The Design Review Committee may delegate its plan review responsibilities, except final plan approval, to one or more of its members or to architectural consultants retained by the Committee.

The Board may establish reasonable processing fees to defray the costs of the Design Review Committee in considering any requests for approvals submitted to it. The appropriate fee shall be paid at the time the request for approval is submitted.

NON-LIABILITY - Neither the Association, the Board members, Declarant, nor any member of the Design Review Committee shall be liable in damages to anyone submitting plans to them for approval or to any Owner or other person by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any plans submitted to the Design Review Committee and each Owner or other person submitting plans agrees, by submission of such plans and specifications, that he will not bring any action or suit against the Design Review Committee, any member thereof, the Association, the Board members, or Declarant to recover damages. Approval by the Design Review Committee, any member thereof, the Board or Declarant shall not be deemed to be a representation or warranty that the Owner's plans or specifications or the actual construction of an Improvement complies with

applicable governmental ordinances or regulations, including, but not limited to zoning ordinances and local building codes. It shall be the sole responsibility of the Owner or other person submitting plans to the Design Review Committee or performing any construction to comply with all such ordinances, regulations, and codes.

ENFORCEMENT - Any improvement to Residential Lots made in violation of this Article or of the Design Guidelines shall be deemed to be nonconforming. Upon written request from the Board, the Owner of the Residential Lot upon which such improvement is made shall, at such Owner's own cost and expense, remove such structure or improvement and restore the Residential Lot to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the Residential Lot, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the Residential Lot and collected as an Assessment. Further, should the Board determine that any improvement has been done without approval or was not done in substantial compliance with the description and materials furnished, and any conditions imposed, or was not completed with due diligence, the Board shall notify the Owner in writing of the noncompliance. The notice shall specify the particulars of the noncompliance and shall require the Owner to take such action as may be necessary to remedy the noncompliance. Should the Owner fail to take such action within the time specified in the notice of noncompliance, the Board shall have the right to record a copy of such notice of noncompliance in the office of the Huerfano County Clerk and Recorder. The provisions of this Section shall be in addition to all other legal and equitable remedies the Association shall have. The provisions hereof shall in no way limit the provisions of Article 11 below.

ARTICLE 10

INSURANCE

DUTY TO INSURE - Each Owner shall obtain and maintain in full force and effect, at all times, all necessary and appropriate hazard and general liability insurance coverage for their Residential Lot.

GENERAL COMMERCIAL LIABILITY AND PROPERTY DAMAGE INSURANCE - The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth herein, which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado, and to the extent reasonably available, policies with the following terms or provisions:

- (A) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be canceled or modified without at least twenty (20) days prior written notice to the Association.

- (B) All liability insurance, if any is carried, shall be carried in blanket form naming the Association, the Board, all member of committees created by or of the Board, the manager or managing agent, if any, the officers of the Association, their successors and assigns, and Owners as insureds.
- (C) Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions hereof, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the Common Areas, if any, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent (100%) of the full insurable replacement cost.

FIDELITY INSURANCE - The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

WORKERS COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE - The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees, if any, in the amounts and forms as may now or hereafter be required by law.

OFFICERS' AND DIRECTORS' PERSONAL LIABILITY INSURANCE - The Association shall obtain officers' and directors' personal liability insurance to protect the officers, directors, and committee members from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association.

OTHER INSURANCE - The Association may obtain insurance against such other risks or similar or dissimilar nature, as it shall deem appropriate with respect to the Association's property, business and operations.

INSURANCE PREMIUMS - Insurance premiums for the above insurance provided by the Association shall be a Common Expense to be included as a part of the annual Assessments levied by the Association.

MANAGING AGENT INSURANCE - The manager or managing agent, if any, shall be insured for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

WAIVER OF CLAIMS AGAINST THE ASSOCIATION - For all policies of insurance maintained by or for the benefit of the Association and Owners, the Association and the Owners hereby waive and release all claims against one another, and the Board, to the extent of the total amount of insurance proceeds available, whether or not the damage or injury for which insurance proceeds are available is caused by the negligence of or breach of any agreement by the Association, the Board, or the Owners.

ADJUSTMENTS BY THE ASSOCIATION - Any loss covered by an insurance policy described above shall be reviewed by the Association and submitted by the Association, if the Association, in its sole discretion decides to submit the claim. The insurance proceeds for any loss for which a claim is submitted shall be payable to the Association. The Association shall hold any insurance proceeds in trust for the Association and Owners.

INSURANCE RATING - All of the above insurance requirements shall be obtained from rated insurance companies in policy amounts with details of coverage pursuant to the Bylaws of the Association as adopted and amended by the Board.

ARTICLE 11

ENFORCEMENT

RIGHTS OF ENFORCEMENT - Any Owner and the Association each shall have the right to enforce the provisions of this Amended Declaration. In addition, the Association shall have the right to enforce the provisions of any other instrument that, by its terms, indicates that the provisions of such instrument were intended to be enforced by Association. Enforcement shall be by suit at law or in equity (for damages or injunctive relief); however, nothing contained in this Amended Declaration shall be construed as indication that damages are an adequate remedy. Additionally, the Association shall have the further enforcement rights, powers, and remedies set forth in this Amended Declaration.

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ARTICLE 12

EASEMENTS AND ACCESS RIGHTS

EASEMENTS - The following easements over the Property, in addition to those provided elsewhere herein, are hereby reserved and granted over all Parcels of the Property:

Utility and Drainage Easements - Easements in favor of the Declarant, the Golf Course Owner, the appropriate public utilities and their successor and assigns for the installation and maintenance of electric, telephone, cable television, water, gas, and sanitary sewer or similar lines, pipes and facilities, and for drainage facilities, as may be required or appropriate to service all Parcels or as may otherwise be required by law.

Golf Course Easements - Easements in favor of the Golf Course Owner for the installation of landscape features and materials associated with the Golf Course Tracts and the maintenance thereof.

Construction and Maintenance Easements - Easements in favor of the Declarant and the Golf Course Owner for the purpose of construction, repairing and maintaining all Improvements upon the Common Areas or the Golf Course Tracts.

ACCESS - During reasonable hours and upon reasonable notice to the Owner of other Occupant of a Residential Lot, Declarant, any member of the Design Review Committee, any member of the Board, or an authorized representative of either, shall have the right to enter upon and inspect any Residential Lot, and the Improvements thereon, except for the interior portions of any completed residence for the purpose of determining whether or not the provisions of this Amended Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

ARTICLE 13

TERM; AMENDMENTS; TERMINATION

TERM; METHOD OF TERMINATION - This Amended Declaration shall be effective upon the date of recordation and, as amended from time to time, shall continue in full force and effect and be binding upon all the Property in perpetuity. Anything in the foregoing to the contrary notwithstanding, this Amended Declaration may be terminated by a vote, evidenced in writing, of the Owners of 85% of the Residential Lots. If the necessary votes and consents are obtained, the Board shall cause to be recorded a Certificate of Termination, duly signed and acknowledged by the president or vice president and attested by the secretary or assistant secretary of the Association, with their signatures acknowledged. Thereupon, this Amended Declaration shall have no further force and effect, and the Association shall be dissolved.

AMENDMENTS - This Amended Declaration may be amended by the affirmative approval of Owners owning at least eighty percent (80%) of the Residential Lots, provided that the provisions hereof affecting any Parcel that is not a Residential Lot may not be amended without the consent of the Owner of such Parcel. So long as the Association remains a legal entity, such amendment may be effected by affirmative vote of requisite Owners at a duly called and held meeting or by written mail ballot or by any other method in which consent is evidenced in writing. Any amendment to this Amended Declaration shall be evidenced by recording a Certificate of Amendment (or an Amended and Restated Declaration) with the Clerk and Recorder of Huerfano County, Colorado. Such Certificate of Amendment shall be duly signed and acknowledged by either the president or vice president and attested by the secretary or assistant secretary of the Association; provided that such Certificate of Amendment shall also be executed by the Owner of any Parcel that is not a Residential Lot whose consent is required by this Article 13.

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ARTICLE 14

EXEMPTION

EXEMPTION - All land and improvements owned by or dedicated to and accepted by the United States, the State of Colorado, Huerfano County, the Town of La Veta, or any subdivision thereof, shall be exempt from the provisions of this Amended Declaration so long as such ownership and/or dedication remains in effect.

ARTICLE 15

MISCELLANEOUS

INTERPRETATION OF THE COVENANTS - Except for judicial construction, the Association, by its Board, shall have the exclusive right to construe and interpret the provisions of this Amended Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction or interpretation of the provisions of this Amended Declaration shall be final, conclusive and binding as to all persons and property benefited or bound by the provisions of this Amended Declaration.

SEVERABILITY - Any determination by any court of competent jurisdiction that any provision of this Amended Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions of this Amended Declaration, but such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

LIMITATION ON THE GOLF COURSE OWNER'S LIABILITY - Notwithstanding anything to the contrary herein, it is expressly agreed that the Golf Course Owner shall have no personal liability to the Association, or to any Owner, Occupant or other person, arising under, in connection with, or resulting from this Amended Declaration.

LIMITATION OF ACTION - No action to challenge the validity of an amendment to this Amended Declaration may be brought more than one year after the amendment is recorded.

CHANGE OF CIRCUMSTANCES - Except as otherwise expressly provided in this Amended Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Amended Declaration.

REFERENCES TO COVENANTS IN DEEDS; BINDING EFFECT - Deeds to and instruments affecting any Parcel of the Property may contain the provisions of this Amended Declaration by reference to this Amended Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the provisions of this Amended Declaration shall run with and burden the Property and each portion thereof and be binding upon each Owner and Occupant and all other parties having any right, title, or interest in, or otherwise coming upon, using, or enjoying the Property.

GENDER and NUMBER - Where ever the context of this Amended Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

CAPTIONS and TITLES - All captions, titles or headings of the Articles and Sections in this Amended Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereof.

NOTICES - If notice of any action or proposed action by the Board or of any committee or of any meeting is required by applicable law, this Amended Declaration or resolution of the Board to be given to any Owner or Occupant, then, unless otherwise specified in this Amended Declaration or in the resolution of the Board, such notice requirement shall be deemed satisfied if notice of such action or meeting is sent to such Owner at such Owner's last known address. This Section shall not be construed to require that any notice be given if not otherwise required and shall not prohibit satisfaction of any notice requirement in any other manner.

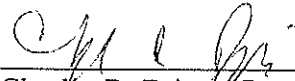
COUNTERPARTS - This Amended Declaration may be executed in any number of counterparts.

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IN WITNESS WHEREOF, the undersigned has executed this Amended Declaration as of the day and year first above written.

Grandote Golf and Country Club Home Owners Association, a Colorado not-for-profit corporation

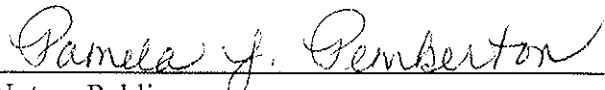
By: 
Charles R. Briggs, President

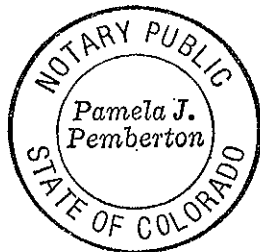
STATE OF Colorado)
) ss.
COUNTY OF Huerfano)

The foregoing AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GRANDOTE GOLF AND COUNTRY CLUB SUBDIVISION FILING NUMBER ONE was acknowledged before me this 3rd day of June 2008 by Charles R. Briggs as President of Grandote Golf and Country Club Home Owners Association, a Colorado not-for-profit corporation.

Witness my hand and official seal.

My commission expires:
5-22-2010


Notary Public



ATTEST:

Secretary

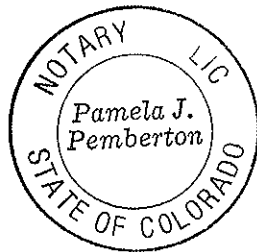
STATE OF Colorado)
) ss.
COUNTY OF Huerfano)

The foregoing AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR GRANDOTE GOLF AND COUNTRY CLUB SUBDIVISION FILING NUMBER ONE was acknowledged before me this 3rd day of June 2008 by KELLY POPEJOY as Secretary of Grandote Golf and Country Club Home Owners Association, a Colorado not-for-profit corporation.

Witness my hand and official seal.

My commission expires:

5-22-2010



Pamela J. Pemberton
Notary Public

EXHIBIT A

PROPERTY

Lots 1 through 83, inclusive, Tracts A through F, inclusive, and all Road Rights-of-Way, Grandote Golf and Country Club Subdivision, Filing No. 1, Town of La Veta, Huerfano County, Colorado.