

***AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR JACKSON LAKE VILLAGE***

TABLE OF CONTENTS

ARTICLE 1	DEFINED TERMS	2
Section 1.1	Defined Terms.....	2
ARTICLE 2	NAMES & DESCRIPTION OF PROPERTY/EASEMENTS	4
Section 2.1	Name and Type	4
Section 2.2	Property	4
Section 2.3	Owners' Easements of Enjoyment.....	4
Section 2.4	Delegation of Use.....	5
Section 2.5	Easements for the Association	5
Section 2.6	Utility, Map and Map Easements.....	5
ARTICLE 3	THE ASSOCIATION	6
Section 3.1	Membership	6
Section 3.2	General Purposes and Powers of the Association.....	6
Section 3.3	Authority of the Association	6
Section 3.4	Managing Agent.....	6
Section 3.5	Indemnification	6
ARTICLE 4	COVENANT FOR ASSESSMENTS FOR COMMON EXPENSES ..	7
Section 4.1	Creation of Association Lien and Personal Obligation to Pay Assessments for Common Expenses.....	7
Section 4.2	Basis of Assessments	7
Section 4.3	Annual Assessment	8
Section 4.4	Special Assessments	8
Section 4.5	Supplemental Assessments	8
Section 4.6	Application of Payments	8
Section 4.7	Effect of Non-Payment of Assessments.....	9
Section 4.8	Lien Priority	9
Section 4.9	Borrowing	10
ARTICLE 5	COVENANTS AND RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY	10
Section 5.1	Flexible Application of the Subsequent Covenants and Restrictions	10
Section 5.2	Authority	10
Section 5.3	Morgan County Zoning Restrictions.....	10
Section 5.4	Use/Occupancy	10
Section 5.5	Leasing and Occupancy	11
Section 5.6	Maintenance of Lots and Improvements.....	11
Section 5.7	Open Fires	11
Section 5.8	Restrictions on Pets	11
Section 5.9	Antennae	12
Section 5.10	Nuisances	12
Section 5.11	Use of Common Area.....	12
Section 5.12	Trash Removal	13
Section 5.13	Restrictions on Vehicles.....	13
Section 5.14	Construction and Maintenance.....	13
Section 5.15	Holding Vaults	13
Section 5.16	Rules and Regulations.....	13
Section 5.17	Compliance with Governing Documents	14
Section 5.18	Compliance With Other Laws.....	14

Section 5.19	Use of the Words Jackson Lake Village and Jackson Lake Property Owners Association, Inc	14
ARTICLE 6	ARCHITECTURAL REVIEW	14
Section 6.1	Required Approval	14
Section 6.2	Acknowledgment of Owners	14
Section 6.3	Architectural Criteria	16
Section 6.4	Establishment of the Committee	16
Section 6.5	Reply and Communication.....	16
Section 6.6	Conditions of Approval.....	16
Section 6.7	Commencement and Completion of Construction.....	16
Section 6.8	Demolition	17
Section 6.9	Right to Appeal	17
Section 6.10	Variances.....	17
Section 6.11	Waivers	17
Section 6.12	Liability	17
Section 6.13	Records.....	17
Section 6.14	Enforcement	17
ARTICLE 7	INSURANCE/CONDEMNATION	18
Section 7.1	Insurance on the Lots	18
Section 7.2	Insurance to be Carried by the Association.....	18
Section 7.3	Hazard Insurance on Common Area	18
Section 7.4	Association Liability Insurance.....	18
Section 7.5	Association Fidelity Insurance.....	19
Section 7.6	Association Worker's Compensation and Employer's Liability Insurance	19
Section 7.7	Directors' and Officers' Personal Liability Insurance.....	19
Section 7.8	Miscellaneous Terms Governing Insurance Carried by the Association. 19	
Section 7.9	Other Association Insurance	20
Section 7.10	Insurance Premium.....	20
Section 7.11	Annual Insurance Review	20
Section 7.12	Adjustments by the Association.....	20
Section 7.13	Duty to Repair	20
Section 7.14	Condemnation and Hazard Insurance Allocations and Distributions ..20	
Section 7.15	Responsibility for Payment of Deductible Amount.....	20
Section 7.16	Insurance Assessments.....	21
Section 7.17	Damage to or Destruction on Lots	21
ARTICLE 8	GENERAL PROVISIONS	21
Section 8.1	Compliance and Enforcement.....	21
Section 8.2	Attorney Fees	22
Section 8.3	Severability	23
Section 8.4	Term of Declaration	23
Section 8.5	Amendment of Declaration by Owners.....	23
Section 8.6	Amendment of Declaration by the Association.	23
Section 8.7	Captions	23
Section 8.8	Interpretation	23
Section 8.9	Singular Includes the Plural	23
Section 8.10	Challenge to this Amendment.....	23
Section 8.11	Non-Waiver.....	24
Section 8.12	Conflict of Provisions	24

EXHIBIT A PROPERTY.....25

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
JACKSON LAKE VILLAGE**

THIS AMENDED AND RESTATED DECLARATION is effective upon recording.

RECITALS:

A. On July 8, 1996, the Jackson Lake Property Owners Association, Inc. submitted the real property described on Exhibit A of this Declaration and described in a subdivision map recorded December 1, 1975, in Book 5 at Page 14 in the real property records of Morgan County, Colorado, to that certain Declaration of Covenants, Conditions and Restrictions recorded in the real property records of Morgan County, Colorado at Reception No. 756209, as amended (“Original Declaration”) to its covenants, conditions and restrictions;

B. The Owners within the Jackson Lake Village Community desire to amend and restate the Original Declaration by virtue of this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Jackson Lake (“Declaration”), and intend, upon the recording of this Declaration, that all prior recorded declarations, amendments and supplements thereto shall be superseded and replaced by this Declaration; and

C. The Original Declaration provides for and allows for this Declaration in Article VI, Section 3, which provides as follows:

“This Declaration may be amended during the first ten year period by an instrument signed by 2/3 of the lot owners present or by proxy at the annual Properties Owners Association meeting;”

D. All Owners are aware of the provisions of the Original Declaration allowing for amendment, by virtue of the record notice of the Original Declaration, by acts and disclosures, newsletters or notices of the Association and by other means;

E. The amendments within this Declaration have been prepared and determined by the Association and by the Owners that have approved this Declaration to be reasonable and not burdensome;

F. The purposes of the amendments in this Declaration are to remove unreasonable restrictions on the community, remove developer "boilerplate" language that is no longer applicable to the Community, remove provisions that do not allow the Board to efficiently operate the community or deal with community concerns, remove provisions that do not comply with current state law, add provisions that provide the proper tools for the Association to effectively solve problems, add provisions to provide the Association with sufficient power to create and successfully enforce Rules and Regulations, and add provisions that reflect beneficial state law provisions including, but not limited to, laws and regulations governing hunting, fishing, boating and motor vehicle traffic, as these privileges may be exercised from time to time by Members on Community Property.

G. The purpose of the Association as provided in the Declaration is to preserve the value and desirability of the Community and the Lots including, but not limited to, preserving the recreational amenities, boat ramp, water rights and other lake and water rights of record, and to further the interests of the residents of the Community and Members of the Association; and

H. Pursuant to the requirements set forth in Article VI, Section 3 of the Original Declaration, at least 2/3 of the Lot Owners present or by proxy at the annual meeting of the Association have approved this Declaration, or alternatively a court order entered by the District Court for Morgan County, pursuant to C.R.S. §38-33.3-217(7), has been entered into approving this Declaration.

NOW THEREFORE, the Original Declaration is replaced and superceded by the covenants, servitudes, easements and restrictions set forth below:

ARTICLE 1 DEFINED TERMS

Section 1.1 Defined Terms. Each capitalized term in this Declaration shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration or the context requires otherwise:

(a) Act shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 *et. seq.*, as it may be amended.

(b) Architectural and Advisory Committee or Committee means the committee appointed by the Board of Directors for the purpose of implementing the architectural review provisions of this Declaration and architectural guidelines for the Community to insure proper use, appropriate improvement, and harmonious additions, alterations and improvements within the Community.

(c) Assessment shall include all Common Expense Assessments, insurance Assessments, utility Assessments, and any other expense levied to Lots pursuant to this Declaration or the Act, including interest, late fees, attorney fees, fines, and costs.

(d) Association shall mean Jackson Lake Property Owners Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(e) Board or Board of Directors shall mean the body, designated in the Governing Documents to act on behalf of the Association.

(f) Common Area or Common Elements shall mean all real property and all improvements located thereon and personal property owned and managed by the Association for the common use and enjoyment of the Owners. The Common Area shall include, but not be limited to, Lots A, B and C as designated on the Plat, and all roads, greenbelts and beaches within the Property and any Improvements thereon; all Common Area facilities including the clubhouse, boat ramp, and horseshoe facility; all private roads; the Wastewater Treatment Plant, Sewage Dump Station and Leach fields, as designated on the Plat, and all water pipes up to each Owner's shutoff and backflow device as required by the Association's water hookup regulations.

(g) Common Expenses shall mean and refer to all expenditures made and liabilities incurred by or on behalf of the Association, together with any allocation by the Association to reserves.

(h) Community or Jackson Lake Village or Planned Community shall mean the planned community known as “Jackson Lake Village,” and the real property subject to this Declaration and as further defined by the recorded Plats and the legal descriptions contained in this Declaration, and the Members of the Association.

(i) Declaration shall mean and refer to this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Jackson Lake Village, as amended, recorded in the office of the Clerk and Recorder of Morgan County, Colorado.

(j) Governing Documents shall mean this Declaration, the Plat, the Articles of Incorporation, the Bylaws, any Maps and any Rules and Regulations of the Association, as all of the foregoing may be amended from time to time.

(k) Lot shall mean and refer to any of the Lots numbered 1 through 350, as shown upon any recorded subdivision Map or Plat of the Property, together with all appurtenances thereto and improvements now or hereafter located thereon, with the exception of the Common Area. Lots A, B and C are part of the Common Area.

(l) Member shall mean any Owner. The terms “Member” and “Owner” may be used interchangeably.

(m) Owner shall mean the owner of record title, whether one or more persons or entities, to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Ownership of a Lot includes ownership of an undivided 1/350th interest in the Common Area per Lot.

(n) Pet shall mean and include cats, dogs, birds, reptiles or other household animals, as defined in Morgan Country Jackson Lake Village District zoning regulations and supplemented by the Association Rules and Regulations, if any.

(o) Plat or Map shall mean and refer to the plat(s) and/or map(s) of the Property and improvements that are subject to this Declaration and which are designated in the Plat or Map recorded in the records of the Office of the Clerk and Recorder of Morgan County. More than one plat, map or supplement thereto may be recorded, and, if so, then the term “Plat” or “Map” shall collectively mean and refer to all of such plats, maps and supplements thereto.

(p) Property shall mean the property described in or which is subject to the Declaration together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon.

(q) Quorum shall mean and refer to the requisite number of votes present at a meeting, pursuant to the Governing Documents.

(r) Rules and Regulations shall mean any written instruments, however identified, which are adopted by the Association or the Board of Directors for the regulation and management of the Community and/or clarification of the Governing Documents, including any amendment to those instruments.

ARTICLE 2 NAMES & DESCRIPTION OF PROPERTY/EASEMENTS

Section 2.1 Name and Type. The type of Common Interest Community is a Planned Community. The name of the Planned Community is Jackson Lake Village. The name of the Association is the “Jackson Lake Property Owners Association, Inc.”

Section 2.2 Property. The Planned Community is located in Morgan County, State of Colorado. The Property of the Planned Community is described in *Exhibit A* of this Declaration, in the Original Declaration and the Plat and/or is consistent with the common scheme and plan for the creation and operation of the Community. The number of privately owned Lots currently included in the Community is 350. The Lettered Lots A, B and C shown on the plat are a part of the Common Area.

Any joining or subdividing of Lots by Members through Morgan County or by any other governmental or judicial process is effective for Planning, Zoning, Taxation or other purposes of the Owner or third parties only, and does not change the assessment, voting or property ownership allocation set forth in this Declaration.

Easements for utilities and other purposes over and across the Lots and any Common Area may be as shown upon a recorded Plat and on any recorded Map of the Planned Community, and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document.

Section 2.3 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to any Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to promulgate and publish Rules and Regulations for use of the Lots and the Common Areas in order to promote peaceful and harmonious co-existence among all Members, with which each Owner and their tenants, invitees, licensees and guests shall comply;

(b) the right of the Association, to suspend the voting rights and, after notice and the opportunity for a hearing, the right to use of any Common Area and recreational facilities, for a period not to exceed 60 days or during any period of violation of any other provision of the Governing Documents, whichever is greater;

(c) the right of the Association, upon approval of at least 2/3 of those voting (provided there is a quorum), to mortgage the Common Area as security, provided, that the rights of such mortgage shall be subordinate to the rights of the owners;

(d) the right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication or similar interest through, over or in the Common Area, provided that such grants are subordinate to the Member's rights and easement of enjoyment in the common areas;

(e) the right of the Association to transfer or convey ownership of any Common Area subject to approval of 2/3 of the Lots entitled to vote; and

(f) the right of the Association to close or limit the use of any Common Area while maintaining, repairing and making replacements in any Common Area; and

(g) the right of the Association to change use of, add or remove Common Area or improvements thereon, including the Common Area facilities (listed in Section 1.1 (f) of this Declaration) upon approval of a majority of those voting (provided there is a Quorum).

Section 2.4 Delegation of Use. Owners may delegate their right of enjoyment to any Common Area and facilities to the members of their family, their tenants, guests, or contract purchasers who reside at their Lot as their primary or secondary residence. If the Owner delegates rights to use the Common Area and facilities to tenants or contract purchasers who reside at their Lot, the Owner shall not be entitled to use the Common Area and facilities. The Board of Directors shall have the express right to limit Owners' ability to delegate their right to use the recreational amenities of the Community to their guests when an Owner is not present through Rules and Regulations.

Section 2.5 Easements for the Association. Each Lot shall be subject to an easement in favor of the Association, acting through the Board of Directors (including its agents, employees and contractors) to allow for their performance of obligations in this Declaration, provided that the easement granted and the use thereof shall not unreasonably interfere with or impair the use of any Lot and shall be exercised only after reasonable notice to the Owner of the Lot.

Section 2.6 Utility, Map and Map Easements. Easements for utilities and other purposes over and across the Lots and Common Areas may be as shown upon the Plat or Map of the Community, and as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any recorded document. A blanket easement is granted to the Association upon, across, over and under all of the Lots for ingress, egress, installation, replacing, repairing and maintaining any utilities, including but not limited to water, sewers, gas, telephones, electricity, cable, and a master antenna system, to the extent the Association is responsible for such utilities. By virtue of this easement, the Association shall have the authority to permit a utility company to affix and maintain wires, circuits, conduits, meters and similar equipment on, across and under the Lots. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the Common Area or Lots, except as approved by the Board of Directors. The easements provided for in this paragraph shall in no way affect any other prior recorded easements on the premises.

ARTICLE 3 THE ASSOCIATION

Section 3.1 Membership. Every person who is a record Owner of a fee interest in any Lot which is subject to this Declaration shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for such membership. Each Lot shall be allocated one vote which shall be cast as a single vote and shall not be subject to fractional voting. Lots A, B, and C have no voting rights.

Section 3.2 General Purposes and Powers of the Association. The Association, through its Board of Directors, shall perform functions and manage the Jackson Lake Village Community as provided in this Declaration so as to protect the value and desirability of the Jackson Lake Village Community and the Lots. The Association shall be responsible for the maintenance, repair, replacement and improvement of the Common Area. Any purchaser of a Lot shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all power necessary or desirable to effectuate such purposes.

Section 3.3 Authority of the Association. The business affairs of the Community shall be managed by the Association. The Association shall be governed by the Act, to the extent it applies to communities created prior to July 1, 1992, this Declaration, the Plat or Map, its Articles of Incorporation and Bylaws, and any Rules and Regulations adopted by the Board of Directors. All corporate or other powers of the Association, unless otherwise specified or expressly reserved to the Members in the Governing Documents, shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the Association shall be managed under the direction of the Board of Directors. The Board of Directors may, by written resolution, delegate authority to a managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility. The Association may exercise any right or privilege and shall perform all duties and obligations expressly granted or reasonably necessary or implied in the Governing Documents to effect such right or privilege or to satisfy such duty or obligation.

Section 3.4 Managing Agent. The Association may employ or contract for the services of a managing agent to whom the Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. The Board shall remain responsible for any omission or improper exercise by a managing agent of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.5 Indemnification. To the full extent permitted by law, each officer, director or committee member of the Association and other volunteer appointed by the Board of Directors shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer, director, committee member or volunteer of the Association, or any settlements thereof, whether or not they are an officer, director, committee member or volunteer at the time such expenses are incurred, pursuant to the indemnification provisions set forth in the Bylaws and by Colorado law.

Section 3.6 Education and Training. As a Common Expense, the Association shall provide education and training opportunities for Owners, residents and occupants, including providing funding and permitting facilities use for such purposes. The Association shall provide education and training activities as a tool for fostering Owner, resident and occupant awareness of governance, operations and concerns of the Community and of the Association. Appropriate educational topics include dispute or conflict resolution, issues involving the Governing Documents, and education or topics benefiting or contributing to operation or governance of the Community. The Association may also fund and support education and training for officers and directors.

ARTICLE 4 COVENANT FOR ASSESSMENTS FOR COMMON EXPENSES

Section 4.1 Creation of Association Lien and Personal Obligation to Pay Assessments for Common Expenses. Each Owner, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Assessments for Common Expenses, insurance Assessments, and such other Assessments as imposed by the Association. Such Assessments, including fees, charges, late fees, attorney fees, fines and interest charged by the Association, including but not limited to, administration and witness fees, shall be the personal obligation of the Owner of such Lot at the time when the Assessment or other charges became or fell due. The Association annual Assessments for Common Expenses and such other Assessments as imposed by the Association, including fees, charges, late fees, attorney fees, fines and interest charged by the Association, shall be a charge on each Lot and shall be a continuing lien upon the Lot against which each such Assessment or charge is made. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due. The obligation to pay any past due sums due the Association shall pass to a successor in title. No Owner may become exempt from liability for payment of the Assessments for Common Expenses by waiver of the use or enjoyment of the Common Area or by abandonment of the Lot against which the Assessments for Common Expenses are made. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof, except as provided in this Declaration, shall be permitted by any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under this Declaration. Except as provided in this Declaration, all Assessments for Common Expenses shall be assessed against all Lots in accordance with formula for liability for the Common Expenses as set forth in this Declaration.

Section 4.2 Basis of Assessments. Common Expense Assessments are to be made on an annual basis against all Lots and shall be based upon the Association's good faith advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year. However, this should not be construed to restrict the Board from making any special assessments necessary if the original annual budget proves to be insufficient to meet all of the Associations obligations and liabilities for the year.

Section 4.3 Annual Assessment. Assessments for Common Expenses shall be based on a good faith annual budget adequate to cover all necessary maintenance expenses, operating expenses, and reserves. Assessments are due and payable at the beginning of the year, however may be paid on a monthly, quarterly, or annual installments due at the beginning of such installment period. The Board may use any common expense assessments (except Special Assessments levied for a specific purpose) received during the year for any operating or maintenance costs or expenses relating to that same assessment year, without regard to the date the payment is received or the date the expenditure is due. The omission or failure of the Board of Directors to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

Section 4.4 Special Assessments. In addition to other authorized Assessments, the Association may levy Special Assessments from time to time to cover previously unbudgeted expenses or expenses in excess of those budgeted, including, without limitation, the reasonable and necessary costs of operating the Association, any construction, restoration, or unbudgeted repairs or replacements of capital improvements that are not covered by the general reserve fund or by any insurance settlement. Any new major capital improvements or any additions to existing capital improvements that would constitute a major capital expense, which is defined as any expense over twenty-five percent (25%) of the current operating budget, must be approved by a majority of the Owners present and voting, in person or by proxy, at a regular or special meeting of the Members at which a quorum is present. Special Assessments may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall have the right to require that Special Assessments be paid in advance of the provision of the subject services or materials.

Section 4.5 Supplemental Assessments. The Association shall have the right to add to any Owner's Assessment as provided by Colorado law and in this Article the following:

(a) All fines and costs assessed against an Owner pursuant to the Governing Documents; and

(b) Any other expenditures or charges which the Board, in its sole discretion, chooses to allocate to a Lot and are reasonably determined to be allocable to a particular Lot.

Section 4.6 Application of Payments. To the extent the Board turns over a delinquent account to the Association's attorney, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on an account of any Owner or the Owner's Lot shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late fees, returned check fees, lien fees and other costs owing or incurred with respect to such Owner pursuant to the Governing Documents, prior to application of the payment to any special or regular Assessments due or to become due with respect to such Owner or Owner's Lot.

Section 4.7 Effect of Non-Payment of Assessments.

(a) Any Assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within 30 days after the due date thereof, as established by the Board of Directors, shall bear interest at the rate established by the Board of Directors, on a per annum basis from the due date. In addition, the Association may assess a reasonable late fee thereon as determined by the Board of Directors.

(b) Failure to make payment within 60 days of the due date thereof shall cause the total amount of such Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. The Board may, in its discretion, decelerate the Member's annual Assessment.

(c) Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay such overdue Assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Owner's Lot. An action at law or in equity by the Association against a Owner to recover a money judgment for unpaid Assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefore.

(d) Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Lot at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. However, if it is the intent of the Board for the Association to retain the Lot as an asset of the Association, it becomes the subject of a vote of the Owners to ratify the addition pursuant to Sub-section 2.3(g) of this Declaration. The rights of the Association shall be subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent required under the Act.

Section 4.8 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien security interest on the Lot (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Lot. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. Sale or transfer of any Lot shall not affect the lien for said Assessments or charges except that sale or transfer of any Lot pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor

cancellation or forfeiture shall relieve any Lot from continuing liability for any Assessment charges thereafter becoming due, nor from the lien thereof.

Section 4.9 Borrowing. The Association shall have the power to assign its right to future income for collateral on a loan, including the right to assign its right to receive Assessments for Common Expenses.

ARTICLE 5 COVENANTS AND RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 5.1 Flexible Application of the Subsequent Covenants and Restrictions. All Lots within the Community shall be held, used and enjoyed subject to the following limitations and restrictions. The strict application of the following limitations and restrictions, except for those set forth in Sections 5.3, 5.15 and 5.18, in any specific case may be modified or waived, in whole or in part, by the Board of Directors or by an appropriate committee (subject to review by the Board of Directors) if such strict application would be unreasonable or unduly harsh under the circumstances. Any such modification or waiver must be in writing.

Section 5.2 Authority. All provisions of the Governing Documents shall apply to Owners and their guests, tenants, invitees and licensees. Owners and their successors and assigns, by acceptance of a deed to their Lot, acknowledge that they have been given notice, and that:

- (a) The ability of Owners to use their Lots may be limited by the provisions in the Governing Documents.
- (b) The Board may, from time to time, adopt and amend definitions of words, phrases and terms used in this Declaration and other Governing Documents.
- (c) The Board may establish penalties for the infraction of all regulations and Owners will be responsible for fines assessed against their tenants, guests and invitees for violations of the restrictions.
- (d) All fines imposed are collectable as Assessments against the Owner's Lot.

Section 5.3 Morgan County Zoning Restrictions. All Lots within the Community shall be subject to Morgan County zoning regulations and other ordinances, rules and regulations for Morgan County

Section 5.4 Use/Occupancy. All Lots within the Community shall be used only for those uses and/or purposes as allowed by the local zoning, control and regulation, and permitted by this Declaration, subject to any Rules and Regulations adopted by the Association. Home occupations shall be allowed so long as the home occupations are incidental and secondary to the use of the Lot and do not change the character of the community, comply with local zoning ordinances and regulations, and comply with this Declaration and any Rules and Regulations that may be adopted by the Board.

Section 5.5 Leasing and Occupancy. Any Owner shall have the right to lease or allow occupancy of a Lot upon such terms and conditions as the Owner may deem advisable, subject to restrictions of this Declaration, subject to restrictions of record and subject to the following:

(a) “Leasing” or “Renting” for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot by any person other than the Owner. For the purposes of this Declaration, occupancy by a roommate of an Owner who occupies the Lot as such Owner’s primary residence shall not constitute leasing.

(b) All leases or rental agreements shall be in writing and shall provide that the leases or rental agreements are subject to all terms of the Governing Documents. Owners are required to provide tenants with copies of the current Declaration, Articles of Incorporation, Bylaws and any Rules and Regulations of the Association.

(c) Owners shall remain responsible for tenant’s compliance with all Governing Documents.

(d) Leases shall be for or of the entire Lot.

(e) All Owners shall provide to the Association an address and phone number(s) where the Owner can be reached in the case of emergency or other Association business. It is the sole responsibility of the Owner to keep this information current.

(g) The Association shall have the authority to adopt Rules and Regulations regarding leasing, including the implementation of this restriction, and for implementation of other restrictions in the Declaration and as allowed by law.

Section 5.6 Maintenance of Lots and Improvements. Owners are responsible for the maintenance, and repair of the property and improvements located within their Lot boundaries including removal or replacement of dead or diseased vegetation and removal of weeds and debris. The Association, and its agents, shall have the authority, after giving the Owner 30 days written notice, to enter, and clean up Lots which do not conform to the provisions of this Section, and to charge and collect from the Owners thereof all reasonable costs related thereto as an Assessment hereunder.

Section 5.7 Open Fires. No open fire of any kind, including those for the burning of rubbish and debris, shall be permitted on the Lots or Common Areas, except within a metal or pottery cooking, barbecuing or brazing device or within a masonry or metal fireplace, barbeque or fire pit. All fires to be monitored and put out properly. All fire pits shall be covered when unattended or not in use. Burning of debris outside of an approved container will require advance notice to the local fire authority.

Section 5.8 Restrictions on Pets. Pets may be kept on a Lot, if the Pet is not a nuisance to other residents. No resident shall maintain or keep any Pet which, in the sole discretion of the Board, is considered to be a danger to the Owners, management staff or occupants in the Community or is otherwise considered to be a dangerous Pet. A dangerous Pet shall mean any Pet that, without intentional provocation, attacks, bites or otherwise injures any person or domestic animal, or that has approached a human or domestic animal in a fierce, aggressive or terrorizing manner so that a reasonable person

would believe the animal to be initiating an attack. If a Pet is deemed a nuisance by the Association, the Lot Owner (and resident, if applicable) having control of the Pet shall be given a written notice to correct the problem and if not corrected, that Lot Owner will be required to permanently remove the Pet from the Community pursuant to, and in accordance with, any dispute resolution procedures as may be set forth in this Declaration or the Rules and Regulations, if any. Pets may not be kept for any commercial purposes. When on any Common Area, Pets must be on a leash or otherwise under the owner's direct control. Feces left by Pets upon the Common Area or on any Lot, including the Owner's Lot must be removed promptly by the owner of the Pet or the person responsible for the Pet. Owners shall hold the Association harmless from any claim resulting from any action of their Pets or the Pets of their tenants, guests or other invitees.

Section 5.9 Antennae. "Permitted Antennas" are defined as an antenna which is designed to receive broadcast television, radio or satellite signals or other antennas which are expressly permitted under applicable federal statutes or regulations. In the event a Permitted Antenna is no longer expressly permitted under applicable federal statutes or regulations, such antenna will no longer be a Permitted Antenna for purposes of this Section. Permitted Antennas shall be installed in the least conspicuous location available on a Lot which permits acceptable signals, without unreasonable delay or increase in the cost of installation, maintenance or use of the Permitted Antenna. The Association may adopt rules or mediate disputes among owners regarding location and installation of Permitted Antennas, subject to limitations of applicable federal law.

Section 5.10 Nuisances.

(a) No nuisance shall be permitted within Jackson Lake Village Community, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends, harasses or disturbs any Owner or which may unreasonably interfere with the peaceful enjoyment or possession or the proper use of a Lot or any Common Area, or any portion of the Jackson Lake Village Community by residents.

(b) Further, no improper, offensive or unlawful use shall be permitted within the Jackson Lake Village Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Jackson Lake Village Community or a portion thereof shall be observed.

(c) While the Board may enforce nuisance complaints, it is not required to do so.

(d) Owners have a responsibility to resolve nuisance complaints on their own.

Section 5.11 Use of Common Area. There shall be no obstruction of any Common Area, nor shall anything be kept or stored on any part of any Common Area without the prior written approval of the Board of Directors. Nothing shall be altered on, constructed in, or removed from any Common Area without the prior written approval of the Board of Directors.

Section 5.12 Trash Removal. No garbage, refuse, rubbish, or cuttings shall be deposited on any street, road or any Common Area, except in containers provided for that purpose. Owners using personal trash containers shall be responsible to maintain the same in a neat and sanitary condition at all times. No hazardous or noxious materials, furniture, appliances, or other bulky items are to be disposed of in containers provided by the Association. No trash shall be deposited within Association containers that does not originate from within the Community. The Association shall have the right to engage a trash removal contractor on behalf of the Owners.

Section 5.13 Restrictions on Vehicles. No more than one inoperable vehicle may be parked or stored on the Property. "Inoperable Vehicle" shall mean any vehicle which cannot be operated for its intended purpose or which does not have an operable propulsion system. Any vehicles that require licensing by either the Association or any applicable governmental authority shall display the necessary current registration. Dismantled and wrecked vehicles are not allowed on any lot for more than 45 days. All property owners are liable for their and their guests operation of all vehicles within the Village. The owners indemnify the Association from all liability resulting from the operation of any vehicle within the Village.

Section 5.14 Construction and Maintenance. The Association, during construction, shall have the right of ingress and egress over the Common Area and Lots A, B and C and the right to store materials thereon and to make such other use thereof as in its discretion may be necessary to complete any construction or maintenance thereon, and further, during the construction or maintenance period, the Association shall not be bound to comply with the provisions set forth in this Article. Any damage done during construction or maintenance shall be restored to its original condition. The exercise of the rights secured by the Association herein shall not unreasonably interfere with the rights of access to, occupation, use and enjoyment of any recreation facility constructed on the Common Area. This section shall also apply to the Fort Morgan Reservoir and Irrigation Company and Jackson Lake Reservoir and Irrigation Company easement rights/agreement. Said agreement is available for inspection in the Association office.

Section 5.15 Holding Vaults. In accordance with all current local and state health department standards and the Compliance Agreement entered into between the Association and the Northeast Colorado Health Department (NCHD) on January 7, 1995, holding vaults are required in connection with any structure. All Owners must comply with any NCHD requirements and other applicable regulations. All holding vaults permitted through the NCHD shall, on a rotating basis, be certified every four years to the NCHD to be water tight vessels. Copies of such certifications are to be submitted to the Board upon each certification. Should an Owner fail to certify his or her holding vault in accordance with the Compliance Agreement, the Association may exercise all rights and remedies available to it including without limitation, engaging a qualified professional to certify the holding vault upon 30 days written notice to the Owner. Any expenses incurred by the Association in certifying such holding vault shall be charged back to the Owner's account as an assessment.

Section 5.16 Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, Rules and Regulations concerning and governing the Community or any portion thereof may be adopted, amended, or repealed from time to time by the Board of Directors. The Board of Directors may establish and enforce

reasonable penalties for the infraction thereof. Rules and Regulations shall be reviewed by the Board of Directors annually. Proposed changes to the Rules and Regulations must be published in writing, mailed to the membership and discussed at the next two Board of Director meetings before being adopted. Rules and Regulations must be documented in a single document and available to all Owners.

Section 5.17 Compliance with Governing Documents. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, Bylaws, and the Rules and Regulations of the Association, as amended.

Section 5.18 Compliance With Other Laws. No improper, offensive or unlawful use shall be permitted within the Community or any portion thereof. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Community or a portion thereof shall be observed.

Section 5.19 Use of the Words Jackson Lake Village and Jackson Lake Property Owners Association, Inc. No Owner or resident shall use the words Jackson Lake Village or Jackson Lake Property Owners Association, Inc. or the logo of the Community or Association, if any, or any derivative thereof, in connection with any goods, materials or services, the use of which is likely to cause confusion, mistake or deception as to the source or origin of such goods, materials or services, without the prior written consent of the Association.

ARTICLE 6 ARCHITECTURAL REVIEW

Section 6.1 Required Approval. Architectural and Advisory Committee review is not required for any Use By Right that does not require a zoning variance. Architectural and Advisory Committee review is required for: (a) Any zoning variance requests; (b) for conditional uses; (c) for construction of “things like” concrete or asphalt paving, walls, fences, steps or walks outside of the use by right setbacks. The Architectural and Advisory Committee shall act on any application within 30 days. Approved applications must be signed by at least three (3) committee members. The Committee shall not be liable to any Owner for damages by reason of any action, failure to act, approval, disapproval with regard to such requests. If there is no formally constituted Architecture Review Committee, the Board of Directors shall act as the Architectural and Advisory Committee.

Section 6.2 Acknowledgment of Owners. Owners acknowledge, accept and agree to the following:

(a) Owners will not commence construction or installation of an improvement requiring Architectural and Advisory Committee Review until they have submitted improvement plans and specifications and received written approval from the Committee, and obtained any permits required under applicable County or State regulations;

(b) Owners shall immediately comply with any request by the Association for additional information relating to an improvement prior to the Committee’s approval of a request and/or prior to the completion of an improvement. Failure to comply with such a request by an Owner shall result in the withdrawal of Committee approval, if previously granted;

(c) Committee approval is subject to, and does not substitute for approval of the local building or zoning department, drainage design or structural soundness, or compliance with any applicable building codes. Obtaining all necessary governmental approvals remains the responsibility of the Owner. An Owner's failure to comply with all applicable laws & regulations shall be grounds for withdrawal of Committee approval;

(d) Owners shall notify the Committee of completion of the improvement installation or construction within thirty days of such completion;

(e) Upon completion of an improvement, Owners authorize the Committee or its representative(s) to enter onto the Lot for exterior inspection;

(f) Inspection and notice to owner of acceptance or notice to correct deficiencies will occur within thirty days of notice of completion by property owner;

(g) Within 30 days after completion of an improvement, an Owner shall promptly remove (or store in an appropriate structure), any construction waste or any surplus construction materials from the property at their own expense and cost. Owners may not use Association dumpsters for this purpose.

(h) Failure of an Owner to notify the Committee of completion of an approved improvement, or refusal to allow inspection, shall result in the withdrawal of the Committee's approval;

(i) If the improvement as built does not conform to the improvement as approved by the Committee, the Committee's approval will be deemed withdrawn, and upon written request of the Committee, Owners shall, at their own expense and cost, promptly bring the improvement into compliance with the submitted and approved plans and specifications;

(j) In the event of withdrawal of Committee approval for any reason(s) cited in this Section, and upon written request from the Committee, the Owner, at his or her expense and cost, shall promptly restore the Lot to a substantially compliant condition. , Such notice will be deemed to toll the statute of limitations as it pertains to the improvement until such time as the improvement is brought into compliance.

Section 6.3 Architectural Criteria. The Committee shall exercise its reasonable judgment to the end that all attachments, improvements, construction and alterations to improvements on a Lot shall comply with the requirements set forth in this Declaration. The approval or consent of the Committee on matters properly coming before it shall not be unreasonably withheld, and actions taken shall not be arbitrary or capricious. Approval shall be based upon, but not limited to, safety issues, harmony of the exterior appearance of structures with other structures within Jackson Lake Village and conformity with the specifications and purposes generally set out in this Declaration. The Committee may require the Applicant to provide additional documentation including consultant reviews at the Application expense prior to approval.

Section 6.4 Establishment of the Committee. The Committee shall consist of a minimum of five members appointed by the Board of Directors. The Board shall have the authority to remove any members of the Committee for cause.

Section 6.5 Reply and Communication. The Committee shall reply to all submittals of plans made in accordance herewith in writing within 30 days after receipt. In the event the Committee fails to take any action on submitted plans and specifications within 30 days after the Committee has received the plans and specifications, approval shall be deemed to be granted; provided, however, nothing in this Section shall authorize anyone to construct or maintain any structure or improvement that would otherwise require a building permit from Morgan County, or is in violation of this Declaration, or the Rules and Regulations. Failure of the Owner to submit adequate information requested under Section 6.2(b) above shall toll the 30 day reply period. All communications and submittals shall be addressed to the Committee in care of the Association.

Section 6.6 Conditions of Approval. In the discretion of the Board or the Committee, an Owner may be required to enter into a written agreement establishing the approval of the application in recordable form acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

Section 6.7 Commencement and Completion of Construction. All improvements approved by the Committee must be commenced within six months from the date of approval. No open storage of construction materials shall be permitted on any Lot except during the construction period. If not commenced within such time, then such approval shall be deemed revoked by the Committee, unless the Committee gives a written extension for commencing the work. Additionally, except with written Committee approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner, all exterior work approved by the Committee shall be completed within one year of commencement. If not completed within such time, then such approval shall be deemed revoked by the Committee, unless the Committee gives a written extension for completing the exterior work.

Section 6.8 Demolition. Any demolition shall be completed within 90 days. Owners shall protect the site from hazardous conditions as necessary with warning tape, security fencing or other measures meant to provide such protection. Owners are responsible for trash removal at their own expense. Owners shall not use Association dumpsters for this purpose. The Owner shall clear the Lot of all debris and return the Lot to a neat and attractive condition consistent with this Declaration

Section 6.9 Right to Appeal. If the Board of Directors is not acting as the Committee, an Owner whose plans have been disapproved or conditionally approved may appeal any decision of the Committee to the Board of Directors. The Board of Directors shall review the decision of the Committee pursuant to the criteria set forth in Section 6.1 above and/or the architectural guidelines. Any decision of the Committee may be overruled and reversed by a majority of the directors by a written decision setting forth the reasons for the reversal when the directors conclude that the Committee's decision was inconsistent with the criteria set forth in this Article and the guidelines.

Section 6.10 Variances. The Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising by reason of the application of the conditions and restrictions contained in this Declaration.

Section 6.11 Waivers. The approval or consent of the Committee, or appointed representative thereof, to any application for architectural approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the Committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 6.12 Liability. The Committee and the members thereof, as well as any representative of the Board designated to act on its behalf, shall not be liable in damages to any person submitting requests for approval or for any approval, or failure to approve or disapprove in regard to any matter within its jurisdiction under these covenants. Neither the Board nor the Committee shall bear any responsibility for ensuring the design, quality, structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes, zoning regulations and other governmental requirements.

Section 6.13 Records. The Association shall maintain written records of all applications submitted to it and of all actions taken by it with respect thereto. Such records shall be open and available for inspection by any interested party during reasonable hours of the business day according to any policy adopted by the Board.

Section 6.14 Enforcement. Enforcement of these covenants, restrictions, charges and other provisions, as amended, may be by any proceeding at law or in equity against any person or persons violating or attempting to violate any such provision. The Association shall have the right to institute, maintain and prosecute any such proceedings which the Board determines to be in the best interest of the Community. In any action instituted or maintained under this Section, the Association shall be entitled to recover its costs and reasonable attorney fees incurred pursuant thereto, as well as any and all other sums awarded by the court. Failure of the Association to enforce any covenant or

restriction contained in this Section shall in no event be deemed a waiver of the right to do so thereafter. In addition, or in the alternative, the Association shall have all other enforcement rights as set forth in this Declaration

ARTICLE 7 INSURANCE/CONDEMNATION

Section 7.1 Insurance on the Lots. Each Owner is responsible to provide their own hazard insurance covering loss, damage or destruction by fire or other casualty to the improvements, installed or made to their Lot, or other personal property of that Owner located on such Lot, and liability insurance covering any injuries occurring to persons or property damages on a Lot. Each Owner is further responsible for carrying liability insurance over any vehicles and other equipment operated on or over the Common Area (e.g., motor vehicles, boats, snowmobiles, MRV's, etc.).

Section 7.2 Insurance to be Carried by the Association. 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 in this Declaration and as set forth in the Act, which insurance coverage shall include the following terms and shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado.

Section 7.3 Hazard Insurance on Common Area. The Association shall obtain hazard insurance covering loss, damage or destruction by fire or other casualty to any insurable improvements installed or made to any Common Area and the other property of the Association.

Section 7.4 Association Liability Insurance. The Association shall obtain public liability and property damage liability insurance covering any Common Area, in such limits as the Board may determine from time to time, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries and operation of automobiles on behalf of the Association.

Except in cases of gross negligence by the Association for maintaining common areas in a reasonably safe condition and for enforcing its By-laws, rules and regulations, liability for the use of the common areas by lot owners and their guests is the responsibility of the individual lot owners. The Association is not liable for injuries or death caused to themselves or others by individuals pursuing their own recreational endeavors. Owners and guests recognize and accept unto themselves the inherent and obvious dangers and inherent risks associated with their own activities (whether individually, or as part of an Association sponsored event) such as boating, swimming, fishing, hunting, operating MRV's, camping, campfires, and other sporting games or activities etc. By accepting these covenant revisions, or by accepting title to any lots, Owners agree that they and their guests will only use the Association common areas and participate in any activities at their own risk. The Association has only limited powers for immediate enforcement of its rules and regulations, especially those related to safety issues, and therefore it is only responsible for making a reasonable effort to enforce them.

Section 7.5 Association Fidelity Insurance. The Association shall obtain 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 or other assets 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.

Section 7.6 Association Worker's 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 employees, if any, in the amounts and forms as may now or hereafter be required by law. Subcontractors are required to provide their own liability, Workman's Compensation insurance, and Employer's Liability insurance.

Section 7.7 Directors' and Officers' Personal Liability Insurance. The Association shall obtain directors' and officers' personal liability insurance to protect the officers, directors, committee members and any person acting at the discretion of the Board from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association.

Section 7.8 Miscellaneous Terms Governing Insurance Carried by the Association. The Association shall maintain, to the extent reasonably available, insurance policies with the following terms or provisions:

(a) All policies of insurance shall provide that each Owner is an insured under the policy with respect to liability arising out of such Owner's membership in the Association.

(b) All policies of insurance shall contain waivers of subrogation against any Owner or member of his or her household.

(c) 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 prior written notice to all of the Owners as provided by Colorado law and to the Association.

(d) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all holders of first lien security interests at least 10 days prior to the expiration of the then-current policies.

(e) All liability insurance shall name the Association, the Board, the manager or managing agent, if any, the officers of the Association, holders of first lien security interests if any, on the Common Area their successors and assigns and Owners as insureds.

(f) Prior to the Association obtaining any blanket policy of casualty insurance on any Common Area, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement cost of any Common Area and any improvements thereon, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof.

(g) All policies of insurance of the Association shall be primary, providing the primary insurance of the loss, if there is other insurance in the name of the Owner.

(h) All policies of insurance shall provide that the insurance thereunder shall not be invalidated, suspended, voidable or have any condition of recovery due to an act or omission by any Owner.

Section 7.9 Other Association Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 7.10 Insurance Premium. Insurance premiums for insurance provided by the Association shall be a Common Expense to be included as a part of the annual Assessments levied by the Association.

Section 7.11 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the adequacy thereof.

Section 7.12 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association and not to any holder of a first lien security interest. The Association shall hold any insurance proceeds in trust for the Association, Owners and holders of first lien security interests as their interests may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association is not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 7.13 Duty to Repair. Any portion of the Common Area of Common Elements for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association, except as provided in the Act.

Section 7.14 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Owners, the distribution shall be made pro-rata on a per-Lot basis as the parties with interests and rights are determined or allocated by record and pursuant to the Act.

Section 7.15 Responsibility for Payment of Deductible Amount. Whether the Board, in its discretion, chooses to submit a claim under the Association insurance policies or not, the Association shall pay or absorb the deductible amount for any work, repairs or reconstruction for damage to Common Area unless the damage is caused by the negligent

or willful act or omission of an Owner, his family, guests, or invitees, in which case the Association shall seek reimbursement of the deductible amount in compliance with and under the terms of the Declaration.

Section 7.16 Insurance Assessments. If the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair due to deductibles allocated to the Association or failure of the Association to adequate maintain coverage to defray costs of repair and reconstruction which in the absence of insurance would be the maintenance responsibility of the Association, the deductible or additional cost shall be a Common Expense. This Insurance Assessment shall not be considered a Special Assessment as discussed in this Declaration and shall not require any vote or ratification of the Owners.

Section 7.17 Damage to or Destruction on Lots. In the event of damage to or destruction of structures or improvements on a Lot, the Owner shall proceed promptly to repair or to reconstruct or remove the damaged structure and improvements in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. unless a determination not to rebuild is made by the Owner in cases of substantial damage or destruction. If the structure is substantially destroyed and a determination is made not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction, and, thereafter, the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with this Declaration.

ARTICLE 8 GENERAL PROVISIONS

Section 8.1 Compliance and Enforcement.

(a) Every Owner and occupant of a Lot shall comply with the Governing Documents, as set forth in this Declaration.

(b) The Association may enforce all applicable provisions of this Declaration, and may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

- (i) imposing reasonable monetary fines, after written notice and opportunity for a hearing, which fine shall constitute a lien upon the violator's Lot;
- (ii) suspending the right to vote and the right to use Common Area after written notice and opportunity for a hearing,;
- (iii) exercising self-help (including, but not limited to, performing such maintenance responsibilities which are the Owner's responsibility under this Declaration and assessing all costs incurred by the Association against the Lot and the Owner as an Assessment) or taking action to abate any violation of the Governing Documents after written notice and opportunity for a hearing;

- (iv) requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of the Governing Documents and to restore the Lot to a compliant condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to a substantially compliant condition, at the Owner's expense, and any such action shall not be deemed a trespass. All fees and costs incurred by the Association in connection with such removal and restoration will be assessed to the Owner as an Assessment under the terms of this Declaration;
- (v) without liability to any person, the Association precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Declaration from continuing or performing any further activities in the Community;
- (vi) levying specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with the Governing Documents; and
- (vii) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

(c) In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Association may record a notice of violation against the Owner and the Lot.

(d) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party shall be entitled to recover all costs, including, without limitation, attorney fees and court costs, reasonably incurred in such action.

(e) The decision of the Association to pursue enforcement action in any particular case shall be left to the Board's discretion, subject to the duties to exercise judgment and be reasonable, as provided for in this Declaration, and further restricted in that the Board shall not be arbitrary or capricious in taking enforcement action. A decision by the Association not to pursue enforcement action shall not be construed as a waiver of the Association's right to enforce such provisions at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

Section 8.2 Attorney Fees. If an Owner or an Owner's family member, guest, tenant, invitee or licensee fails to comply with any provision of the Governing Documents, the Association may require reimbursement for reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. In a legal proceeding in any way related to the Governing Documents or the Community, the court shall award to the party prevailing on each claim the prevailing

party's reasonable attorney fees and costs incurred in asserting or defending the claim. Such reasonable attorney fees and costs, if awarded against an Owner or an Owner's family member, guest, tenant, invitee or licensee, shall be charged as an Assessment and shall constitute a lien against the Lot.

Section 8.3 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Declaration which can be given effect without the invalid provisions or applications.

Section 8.4 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 8.5 Amendment of Declaration by Owners. Any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended, revised, removed or repealed, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval of at least 51% of the votes in the Association. Amendments to the Declaration require a meeting (no mail ballots) to allow for proper debate before a vote is taken. Notice of any meeting at which a proposed amendment will be considered shall state the fact of consideration and the subject matter of the proposed amendment. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Morgan County of a certificate setting forth the amendment in full and certifying that the amendment has been approved as set forth above, and containing the written consent and approval of the Association.

Section 8.6 Amendment of Declaration by the Association. The Association shall have the authority to amend, revise, remove, repeal or add any provision to this Declaration, without Owner or mortgagee approval, to the extent necessary to conform with any applicable local regulations or ordinances and state or federal law

Section 8.7 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

Section 8.8 Interpretation. The provisions of this Declaration shall be construed to effectuate their purposes of creating a uniform plan for promoting and effectuating the fundamental concepts as set forth in this Declaration. The Board of Directors shall have the authority to interpret the meaning of any provision contained in this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 8.9 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 8.10 Challenge to this Amendment. All challenges to the validity of this amendment or any future amendments must be made within one year after the date or recording of this document. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 8.11 Non-Waiver. Any forbearance or failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration or of any subsequent enforcement of such provision.

Section 8.12 Conflict of Provisions. In case of conflict between this Declaration and the Articles or Bylaws, this Declaration shall control. In the case of conflict between the Articles and Bylaws, the Articles shall control.

The undersigned, being the president and the Secretary of Jackson Lake Property Owners Association, Inc., hereby certify that the Association has obtained written approval of this Amended and Restated Declaration from at least 2/3 of the Lot Owners present or by proxy at the annual (or other meeting duly called for such purpose) of the Association, as evidenced by written instruments filed with the records of the Association. Approvals obtained shall remain in effect until this Declaration is approved unless approval is expressly revoked in writing.

**JACKSON LAKE PROPERTY OWNERS
ASSOCIATION, INC.,**
a Colorado nonprofit corporation,

By: _____
President

ATTEST:

Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Declaration was acknowledged before me by
_____, as President and by
_____, as Secretary, of Jackson Lake Property Owners
Association, Inc., a Colorado nonprofit corporation, on this day of
_____, 20__.

Notary Public
My commission expires: _____

EXHIBIT A

PROPERTY

Jackson Lake Village, W 1/2 of the NW 1/4 of Section 27, Township 5 North, Range 60 West of the 6th P.M., Morgan County, Colorado.

AFTER RECORDING, RETURN TO:

HindmanSanchez P.C.
5610 Ward Road, Suite 300
Arvada, CO 80002
Attn: MMG