

RULES AND REGULATIONS

OF

THE EXECUTIVE BOARD OF DIRECTORS FOR THE MOUNTAIN VISTA FIRST ADDITION HOMEOWNER'S ASSOCIATION, INC. (A NON-PROFIT CORPORATION)

PURPOSE

The purpose of this document is to provide a verbally simplified common reference for establishing consistent rules and regulations to be followed by homeowners in the Association. In most cases this document merely simplifies the language used in the Articles of Incorporation, Bylaws, and the First Amended Declaration of Covenants, Conditions and Restrictions for the Association. However, this document allows the Executive Board to provide clarification, more complete guidance, and necessary exceptions where agreed upon by the board and not in conflict with the laws governing the Association. This document may be reviewed and amended by the Executive Board as deemed necessary. Any revisions will be provided to individual homeowners upon ratification by the board.

REFERENCES TO GOVERNING DOCUMENTS

For each rule established in this document, the primary governing document referenced will be annotated in abbreviated form as shown in the following example:

A, II, 1, (a)

The first letter of this reference identifies from which document the basic guidance is taken, "A" identifies Articles of Incorporation, "B" identifies Bylaws, and "D" identifies the Declaration of Covenants, Conditions, and Restrictions. The Roman numeral following the first letter identifies the specific article referenced in the associated document. The number following the Roman numeral identifies which paragraph is referenced (if any), and the small letter in parentheses identifies the specific sub-paragraph referenced (if any).

A, II, 1, (a) (amendment): The Executive Board of directors is empowered by law to manage and maintain all of the common areas of the Association and enforce all rules put in writing that are permitted by law. This includes the following responsibilities:

- Prepare the annual budget
- Collect dues from each registered homeowner
- Borrow money based on forecast Association income
- Enforce all Association rules
- Preparing and keeping all Association records including financial and historical reports.
- To retain legal counsel on behalf of the Association

A, IV: The Association is a non-profit organization, without shares of stock. No members of the Executive Board of directors will receive compensation for service on the board. The limit of liability of the Executive Board and the Association are as established by Colorado law.

A, X: Any changes to the Articles of Incorporation require the approval of 67% of the registered homeowners and 67% of the Executive Board of Directors. Any changes to the covenants and bylaws require approval of 100% of registered homeowners.

A, XI: Any person registered on the title to a lot in the community is a member of the Association. There is only one vote per lot for the purpose of conducting the business of the Association.

B, II, 1: The Executive Board of Directors for the Mountain Vista Homeowners Association will consist of 7 Directors elected by the members of the Association or appointed as necessary by sitting members of the board.

B, II, 3: The board will collect assessments (dues) that are a legal obligation of each homeowner. These dues are equal for each lot in the Association. ~~Late payments can be subject to a \$10.00 late payment if arrangements are not made with the board prior to the due date. Late payment notices will be given in the standard 30, 60 and 90-day increments. After 90 days, appropriate credit reporting and collection methods may be employed.~~

B, II, 3., (1): An Architectural Control Committee (ACC) is established by the board to provide recommendations to the board concerning all building construction applications. The Executive Board is the final approval authority for all applications.

B, II, 3., (2): The term of each board member will last two years. Four directors will be elected in even years and three will be elected in odd years to ensure board continuity.

B, II, 5.: A property management company can be retained to act on behalf of the Executive Board for day-to-day management of the Association with all authority and powers granted to the board. Any board member can be removed by a two-thirds vote of homeowners in person or by proxy (written delegation of voting rights given to another homeowner) at a meeting where a quorum (majority) is present.

B, II, 10.: Special meetings of the Executive Board can only be called with at least 3 days notice by the President or by a majority of Directors. The board meetings must be held in Loveland, unless written consent is given by all board members in writing.

B, III, 1.: The annual meeting will normally be held in January of each calendar year for the purpose of conducting required business. This is a deviation to the Bylaws duly voted upon and registered at the first annual meeting in January 1999. The annual meeting requires a minimum of 10 days notice and is limited to a maximum of 50 days notice.

B, IV, 1.: The principal officers of the Association are the president, vice president, secretary, and treasurer who are elected by the Executive Board. The Executive Board will elect the officers of the Association annually.

B, V, 1., (a): The Executive Board has the right, after giving notice and having a hearing, to enter common areas or individual lots to remove offending structures or conditions at the expense of the property owner. A fine of up to \$25.00 per day for each day a violation continues, after notice and hearing, may be levied.

B, VII, 2.: The fiscal year for the Association begins in January and ends in December of each year.

B, VII, 5.: A working capital fund will be established for the Association in the amount of two months total assessment. All current homeowners will be assessed as necessary and all homes sold will have this added to the required fees paid up front during the property closing.

D, II, 1.: No building or exterior property improvements will be made without review and consent of the Architectural Control Committee (ACC). The ACC will consist of three homeowners selected by the Executive Board of Directors.

D, II, 2.: Two sets of plans for any improvement proposal will be provided to the ACC at least 30 days prior to the scheduled construction start date. The owner of the lot to be improved must still acquire necessary permits and comply with all national and local building codes.

D, III, 1.: Only one dwelling is allowed on any lot and only a single-family unit (not extended family) is allowed to occupy any single home.

D, III, 4.: The Association is responsible to maintain all greenbelts, the street islands, common area fences, and sidewalks according to the master landscape plan on file with the City of Loveland. Individual homeowners are responsible for the upkeep of their own lot and the city property between their sidewalk and the street curb.

D, III, 6.: Exterior paint changes are normally approved through the ACC. However, any paint complying with subdued earthtone style or the same as the original home color is acceptable without the approval of the ACC. If in doubt contact any Director of the Executive Board.

D, III, 9.: No air conditioners, solar units, "swamp coolers", radio antennas, or satellite dishes are allowed without approval of the ACC. Central air conditioning units are approved if hidden from view by a fence or located in the back yard. Satellite dishes up to eighteen inches in diameter are approved if not mounted on the front of the house.

D, III, 10.: Recreational vehicles, motor homes, campers, boats, trailers and the like must be stored in an enclosed garage facility. Such vehicles should not normally be visible from the street. Guests of homeowners with such vehicles are allowed temporary parking for up to one week without direct approval of the Executive Board.

D, III, 11.: Reasonable (not to exceed two days) automotive repairs may be accomplished in individual homeowner's driveways, parking areas, or street as necessary to keep said vehicle operable. Any complaint received by the Executive Board or designated representative may require modification of this rule.

D, III, 12.: No vehicles which are inoperable or in the process of restoration are allowed to be stored outside of the garage of individual homes.

D, III, 14.: Absolutely no trailers, mobile homes, tents, or other temporary structures are allowed on any lot or any common areas.

D, III, 17.: Fences up to six feet tall are allowed if consistent with the style of the design adjacent to 43rd street and their neighbor's fence. Fences should be installed within two years of closing date after original sale of a new home.

D, IV, 1. & 2.: Periodic or special assessments may be required to cover one time costs incurred by the Association as determined by the Executive Board of Directors. All assessments shall be equal for each lot.

D, IV, 3.: A lien against individual properties may be levied for unpaid or unresolved assessment discrepancies.

D, IV, 6.: The Executive Board, the Association, and individual lot owners have the right to enforce the covenants. The Executive Board of Directors request any owner complaints be brought to the attention of any Director or the property management company prior to taking any direct action in the interest of settling the issue quickly and professionally.