

**BY-LAWS OF
PARKLAND HOMEOWNERS ASSOCIATION, INC.**

THESE BY-LAWS adopted by the PARKLAND HOMEOWNERS ASSOCIATION, INC., a non-profit Colorado corporation, on this 31st day of March, 1978.

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall mean PARKLAND HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "By-Laws" shall mean the By-laws adopted by this Association as amended from time to time.

Section 3. "Properties" shall mean and refer to those certain Real and/or Personal Properties hereinafter described, and such additions thereto as may hereafter become owned in fee and subject to the management of the Association.

Section 4. "Common Real Property" shall mean all the Properties herein described, or hereafter from time to time acquired by the Association, together with all facilities and improvements placed thereon and any and all interests which the Association may acquire in adjacent lands or recreational areas, any easements granted to the Association and in general all apparatus and installations existing for common use, and all other parts of the Properties necessary or convenient to its existence, maintenance and safety or normally in common use, not including individual single-family sites and improvements constructed thereon in the Park Land Estates Subdivision.

Section 5. "Lot" shall mean a single family site in the Park Land Estates Subdivision.

Section 6. "Owner" or "Owners" shall mean the record owner, whether one or more persons of the absolute fee interest in a "Lot".

Section 7. "Association Taxiway" shall mean the taxiway(s) owned in fee by the Association.

Section 8. "Private Taxiway" shall mean all other taxiways except Association Taxiway(s).

Section 9. "Common Real Property Expenses" shall mean the owner's prorata share of the general common expense for the Common Real Property, including but not limited to the common area, tracts A, B, C, & D including runway, a tie-down

hangar building area, and the water system, Association Taxiway(s) and utility easements granted to the Association, their maintenance, repairs, utilities, management costs, maintenance and operation of recreational facilities, reserves, capital improvements, assessments and all other charges which the Association may levy upon the owners in accordance with this Declaration.

Section 10. "Rules" shall mean rules adopted by the Association as amended from time to time.

Section 11. "Manager" shall mean any duly authorized property manager employed or appointed by the Association to implement the duties and responsibilities incumbent upon the Association.

ARTICLE II
MANAGEMENT

Section 1. Duties and Responsibilities of PARKLAND HOMEOWNERS ASSOCIATION. There has been incorporated as a nonprofit corporation THE PARKLAND HOMEOWNERS ASSOCIATION to be the manager of the Properties. The owner(s) of each Lot in the Park Land Estates Subdivision shall be entitled to hold one membership in th Association, provided if there is more than one owner of a Lot, only one vote shall be allowed to the Lot in elections concerning Association business. Any purchaser of a Lot in the Park Land Estates Subdivision shall be deemed to have assented to such designation and management and ratified and approved the same. Said Association, by its signature approving this instrument, has agreed to perform the duties required of it hereunder. Said Association shall have the following duties, rights and powers:

(a) To adopt rules and regulations in accordance with the By-Laws of the Association for he regulation and operation of the Properties, including but not limited to regulations governing the use, and the method of enforcement of rules and regulations relating to the Common Real Property and any related areas and facilities.

(b) To levy and collect monthly and yearly assessments, equitably prorated, against and from owners of Lots.

(c) From funds collected to:

(1) Maintain, care for and preserve tracts A, B, C & D, runways, taxiways, and water system, their improvements and other general common property.

(2) Pay for equipment, tools, supplies, and other personal property which may be owned by said Association.

(3) Pay for insurance, taxes, common utilities and all expenses incurred in the operation of the Common Real Property.

(4) Repair and replace facilities, machinery and equipment.

(5) Obtain and maintain insurance coverages upon the Common Real Property, runways, taxiways, water system, their facilities and other improvements upon the Properties, and other insurance coverages as follows:

(6) Obtain insurance coverages against loss or damage by fire and such other hazards as are covered under standard coverage provisions for the full insurable

replacement cost of the Common Real Property and improvements, with such deductible provisions relating thereto as may be deemed desirable by the Board of Directors as insurance trustees under this Declaration.

(i) Such insurance policies shall contain provisions that the insurer waives its right to subrogation as to any claim against the board of Directors of the Association, its agents and employees, and Lot owners.

(ii) Each Lot owner shall carry insurance for their own benefit insuring their own individual Lot and its improvements, real and personal property. Provided, that the liability of the carriers issuing the insurance obtained by the Board of Directors shall not be affected or diminished by reason of any such additional insurance carried by a Lot owner.

(iii) In the event of destruction by fire or other casualty of 50% or more in total value of any of the Properties, then repair and reconstruction of the destroyed portion thereof to its original condition prior to such casualty shall be proceeded with by the board of Directors unless 80% or more of the Lot owners at a meeting of such Lot owners held for such purpose cast their ballot against the rebuilding of the whole or any part thereof. In the event the Lot owners determine by vote as aforesaid not to proceed with rebuilding, then the proceeds from the insurance coverages payable to the Board of Directors as insurance trustees under the insurance coverage payable to the Board of Directors as insurance trustees under the insurance policies shall be distributed pro-rata unto the lien holders of the respective Lot owners according to their priority, and if no liens exist on a particular Lot, then directly to the owner of that Lot. The Board of Directors of the Association may then elect to raze the damaged property or rebuild the same, as the case may be.

(iv) In the event the reconstruction and repair of any Property is to be made following any loss as aforesaid, then the Board of Directors as insurance trustees shall use the proceed of insurance for such purpose. In the event there is insufficient money received in settlement of the losses claimed from the insurance carriers and a deficiency exists then all of the Lot owners in the Park Land Estates Subdivision shall be equally assessed for such deficiency.

(v) Deficiencies in the amounts required to repair or replace improvements other than Lots shall be considered as a Common Real Property expense and prorated as provided for in the above subparagraph (iv).

(vi) Each Lot owner grants unto the Board of Directors the exclusive power and right to file proofs of loss in the event of any loss or damage covered by insurance and to make adjustment with insurance carriers for any losses sustained.

(7) Obtain Comprehensive Public Liability Insurance and Workmens Compensation Insurance coverage upon Employees and other liability insurance insuring each Lot owner and the Association, Board of Directors, and/or Agents in connection with the Properties, the Common Elements and the recreational area at such limits as it may deem desirable.

(8) Obtain such other insurance as the Board of Directors may deem desirable for the benefit of Lot owners.

(9) Lease or acquire real or personal Property in pursuit of its obligations.

(10) Levy and collect from each owner at the time each owner purchases or acquires a Lot a prorata share of the original estimated yearly Common Real Property expenses for said owner's Lot. Said sum may be used by the Association as working capital, to apply against a delinquent account of a Lot owner, or emergency needs, and shall be refunded to the owner (except as hereinafter provided) upon the sale or transfer of said owner's Lot less any amounts then due by said owner to the Association. Such amount may be transferred to a new owner upon a settlement sheet adjustment between seller and purchaser. Deficiency amounts in any Lot owner's account shall be promptly restored upon request to maintain an amount equal to the original estimated yearly common expense for such Lot.

(11) Collect delinquent assessments by suit or otherwise and to enjoin or seek damages from the owner of the Lots for violation of the covenants herein continued on the part of the owners to be performed, or for violation of the rules pursuant hereto.

(12) Protect and defend the Properties from loss and damage by suit or otherwise.

(13) Employ workmen, and others, to contract for services to be performed including those of a Manager, to purchase supplies and equipment, to enter contracts and generally to have the powers of Property manager in connection with the matters hereinbefore set forth, except that the Association may not encumber or dispose of the interest of any owner except to satisfy a lien or judgment

against such owner for violation of the owner's covenants imposed by the By-Laws.

(14) Employ counsel, attorneys and auditors in connection with legal matters of the Association and audit of its books and records which audits shall be available to Lot owners for inspection at the Association office.

(15) Invest funds in the hands of the Board of Directors in excess of reasonable working capital need, and to credit income derived therefrom to Lot owners in an equitable manner. Each individual Lot owner shall be furnished a statement of annual earnings attributable to Lot owners from such income received.

(16) File legal protests with authorities when requested so to do by a majority of the Lot owners against the granting by authorities of zoning or variances as to any Property adjoining or within a reasonable proximity of the properties which might affect or depreciate the value of the Lot owners interests in their Lots or in the Properties.

(17) File such other actions at law or in equity in the name of the Association as may be required to either protect the Association's interests and/or properties or for enforcement of any right or benefit or collection of any right or benefit or collection of any sum due or to become due to the Association.

Section 2. Liens for Unpaid Assessment or Fees. Owners of memberships in the Association grant unto the Association a lien for any amount due from any owner who fails to pay any amounts due or to become due as assessments. Notice of such lien may be filed of record by the Association, and the lien by the Association shall attach to the Lot of the defaulting owner. Such lien may be foreclosed by said Association in the same manner and form provided by law in Colorado for foreclosure of real estate mortgages and/or deeds of trust, and the court shall all as part of any judgment entered, a reasonable attorney's fee and costs expended. Such lien shall be subordinate to any trust deed, mortgage or other lien instruments of record constituting a first lien thereon of record prior to the time such notice shall be filed of record.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Membership in the Association shall consist of the following:

(a) Any person acquiring a Lot in the Park Land Estates Subdivision, other than the holder of a mortgage or as a beneficiary under Trust Deeds or Deeds of Trust or lien claimants, shall automatically become a member of the Association. Upon the sale or transfer of an interest by an owner, said owner's membership shall terminate. Any person acquiring a Lot as the result of a foreclosure shall likewise automatically become a member of the Association.

(b) Members of the Board of Directors or their successors or assigns, as they now or hereafter may be in office. Such membership shall terminate when the right of a member of such Board to vote on the Board shall no longer be in effect, unless the specific member is also a Lot owner in the Park Land Estates Subdivision in which case his right to vote shall continue as a Lot owner.

Section 2. Voting.

(a) Except as otherwise hereinafter provided, for a period of three (3) years from the date hereof, the exclusive right to vote for election of members of the Board of Directors of the Association shall be vested solely and exclusively in the members of the Board of directors or its successors and assigns.

(b) After the lapse of said three (3) year period, the right to vote for election of the Board of Directors shall be vested exclusively in the owners of Lots as members of the Association. Each such member, when entitled to vote, shall have one vote regardless of the number of owners of the Lot.

(c) Except for elections concerning Board(s) of Directors during the three (3) year period aforesaid, members of the Association shall have the right to vote on all Association matters which are not within the jurisdiction of the Association's Board of Directors.

ARTICLE IV
CONTENTS OF COMMON REAL PROPERTY
AND OTHER PROPERTY RIGHTS

Section 1. Tracts A, B, C, and D. Certain property identified on the Park Land Estates Final plat as Tracts A, B, C and D will be developed by Park Land Estates, Inc. to the extent of the overlot grading and primary runway improvements. These tracts with any present improvements will be deeded to the Association which will beneficially own such tracts and can develop them as it deems fit. Such tracts will be jointly used with equal privileges and responsibilities by all members of the Parkland Homeowners Association and dedicated toward their pursuit of recreational sport flying and related activities.

(a) Approximately forty (40) acres consists of a runway with its necessary clear areas to be built to F.A.A. utility aircraft standards.

(b) There will also be constructed a tie-down hangar building area to be owned by the Association and to be for the exclusive use of all Parkland Homeowners Association members and guests for aircraft storage and display. Additional improvements that the Parkland Homeowners Association can include within this area may consist of, but shall not be limited to a club house building, maintenance equipment and storage building, underground gasoline storage and parking area for autos.

(c) An open area of approximately (4) acres is dedicated for picnic activities, recreational sport activities and similar common area activities.

Section 2. Water system, inclusive of the wells, pumps, water mains, water reservoir and booster pump station. The Parkland Homeowners Association shall own and be responsible for the ownership, operation, repair and maintenance of the water system in its respective easements. The water laterals extending from a lot line to an individual residence shall be the responsibility of the owner(s) of the residence served by same. Provided, that if at a future date, the Agreement between Park Land Estates, Inc. and the Erie Water and Sanitation District dated November 11, 1974 becomes operative, agreement shall govern as to sewer mains and facilities within the Park Land Estates Subdivision and the Parkland Homeowners Association is hereby directed and empowered to implement the performance of said Agreement on behalf of Park Land Estates, Inc.

Section 3. Taxiway Easements. All Lot owners within Park Land Estates Subdivision have the right to utilize the Association Taxiways and Lot owner is granted the right to use his Private Taxiway to the exclusion of a any other person unless with consent of the respective Lot owner first obtained, in their recorded easements.

Section 4. Rules. The Association may promulgate and enforce rules relating to the uses for which the Common Real Property exists, the maintenance, upkeep, and aesthetic appearance thereof.

Section 5. Use of Common Real Property. Owners of Lots shall have the right to use and enjoy with others the Common Real Property (including recreational areas, runways and Association Taxiways in their respective easement), subject to the Association's Rules and Regulations. The Association shall have the authority to make Rules and Regulations governing the use of Common Real Property and easements granted to the Association including but not limited to the following:

(a) The number of guests of owners permitted to use the recreational facilities, runway and taxiways at any given time.

(b) The fixing of reasonable admission and other fees for the use of any recreational facility existing for the benefit of Lot owners.

(c) The suspension of voting rights and right to use of the recreational facilities, runway and taxiways by an owner of any period during which any assessment against his Lot remains unpaid, and for a period not to exceed thirty (30) days for any infraction of Rules and Regulations.

Section 6. Delegation of Use. Any owner may delegate in accordance with the By-Laws his right of enjoyment to the common area and facilities to the resident members of his family or contract purchasers who reside in the Lot.

Section 7. Emergency Runway, Taxiways and Utility Easements. Said easements shall be used by the owners of Park Land Estates, as taxiways and utility easements and may not be obstructed for private use.

Section 8. Recreational Facilities. The Association owns and/or will own Tracts A, B, C, and D, inclusive of the Association Taxiway(s) and all improvements and recreational facilities currently existing or erected in the future in the Park Land Estates Subdivision as shown on the plat plan or record. Said Tracts A, B, C, and D, their improvements and the easements dedicated to Parkland Homeowners Association

are for use exclusively by Lot owners of the Properties and their guests. Said Tracts A, B, C, and D and their improvements shall be maintained by the Association as a Common Real Property.

ARTICLE V

COMMON REAL PROPERTY EXPENSES AND ASSESSMENTS

Section 1. Creation of Liens for Assessments and Personal Obligations. Each owner by acceptance of a deed, shall pay to the Association (i) assessments or charges, and (ii) special assessments to be fixed, established, and collected from time to time as hereinafter provided. Each such assessment, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a continuing lien upon the Lot against which such assessment is made. Each assessment, together with interest and cost of collection in the event of delinquency in payment, shall also be the personal obligation of the person who was the owner of such Lot at the time when the assessment was levied.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the construction, management and the maintenance of the Properties, services and facilities related to the use and enjoyment of the Properties, and the improvements situated upon the Properties; for instance, taxes, repair, replacement of the Properties, the maintenance and repair of the runways, taxiways, water system and common improvements located on Tracts, A, B, C and D and within easements of record dedicated to the Parkland Homeowners Association which are specified for utilities or taxiways and for such other facilities owned by the Association including, but not limited to the aforesaid and mowing common areas, caring for the common ground, the operation and maintenance of the water systems and facilities inclusive of personnel necessary for implementation, administration expenses, working capital, rental and acquisition of real or personal property; and, for such other duties required to be performed by the Association under the By-Laws, or that the Association, in its opinion shall determine in the future to be necessary and desirable including the establishment and maintenance of a cash reserve for such repairs, maintenance and other expenses to be incurred as herein specified. In the event repairs are required resulting from negligent act of an owner, the owner's family, guests, employees or invitees, the Association shall be reimbursed by such owner therefor.

Section 3. Due Dates and Basis of Assessments. Payment of any assessment shall be made by the owners to the Association on the date of closing of the original purchase of an owner's Lot and prorated if upon a date other than the due date of an assessment. Thereafter, assessments shall be paid in such amounts and in accordance with times and on dates established by the Association's Board of Directors from time to time. Provided, any monthly assessment for water usage based on a meter reading for the prior month's

usage is due on the 10th day of the month in which the assessment billing is received.

(a) Each Lot owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Lot; provided, however, such maintenance, repairs and replacements as may be required for the functioning or bringing of water to the exterior Lot line, shall be performed by the Association as part of the common expenses. Maintenance, repairs and replacements of internal Lot utilities and appurtenances shall be at the expense of each Lot owner.

(b) Each Lot owner shall furnish and be responsible for, at his own expense, improvements within his own Lot, including buildings, landscaping, fences, utilities, septic and all personal improvements. Each Lot owner shall have the right to build or construct improvements upon his Lot as long as they are in compliance with the protective covenants of record for Park Land Estates, and provided approval is given in writing by the Architectural Control Committee as set forth in the Protective Covenants of record.

(c) Levy of Assessments. The Board of Directors of the Association shall during the 11th month of each calendar year determine the estimated annual assessment for the next calendar year to be made to each Lot owner, and the time and date on which any such assessment is to be paid, provided that said assessments may be adjusted at any time if deemed necessary by said Board of Directors. As soon as practicable after the close of each calendar year, actual expenses shall be totaled and any overages or shortages of actual expenses and assessments made shall then be charged or refunded to the Lot owners.

(d) Non-Exemption. No owner shall be exempt or relieved from payment of any assessment or charge by waiver or suspension of the use of any of the common elements, recreational areas or by the abandonment or leasing of his Lot.

Section 4. Special Assessments. In addition to the assessments authorized above for management, construction, maintenance and repairs, the Board of Directors of the Association may levy special assessments for the purpose of defraying in whole or in part the cost of any construction, or reconstruction, unexpected structural repairs or replacement of capital improvements, including the necessary fixtures and personal property related thereto; provided, that if any such assessment exceeds \$5,000.00, the same shall have the assent of not less than a majority of the Lot owners voting in person or by proxy at a meeting duly called for such purpose, written notice of which shall be sent to all

owners of record not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Right of Entry - Enforcement of Covenants - Fines.

(a) Right of Entry. The Association through its duly authorized agents shall have the right in case of any emergency originating in or threatening a Lot to enter thereon.

An owner shall permit entry onto his lot on record easements for the purpose of utility maintenance and taxiway access.

(b) Enforcement of Covenants - Fines. The Association shall have the authority to assess against any owner a fine not exceeding the sum of Seventy-five dollars (\$75.00) for violation of any of the covenants or conditions of this Declaration or Rules or Regulations issued thereunder for each day such violation continues after written notice thereof is given.

Section 6. Effect of Non-Payment of Assessments or Recreational fees; Remedies.

(a) Assessments, fees, and/or any fin shall be due and payable on the first day of the month next following the month of levy, or on the first day of the periodic period fixed for payments of the assessment, fees, or fine³, and shall be come delinquent unless paid within ten (10) days thereafter. All unpaid assessments, fees or fines shall be subject to a late charge for non-payment as may be determined from time to time by the Board of Directors of the Association. If such assessments, fees or fines are not paid within twenty (2) days after the due date, they shall bear interest from the date of filing of notice of lien at the rate of twelve (12) percent per annum or other reasonable rate fixed by the Association and uniformly applied. In the event it shall become necessary for⁵ the Association to collect any delinquent assessments, fees or fines, whether by foreclosure of a lien hereinafter created or in a direct suit for collection, the delinquent owner shall pay, in addition to th assessment and late charge and interest herein provided, all cost of collection including a reasonable attorney's fee and costs incurred by th Association in enforcing payment.

(b) The Association is hereby granted a lien against the owner's Lot for any payment or payments which the owner fails to make as required by these By-Laws; provided that such lien shall be effective only upon recordation of a

Notice thereof in the office of the Clerk and Reorder in the county in which the Lot is located and each owner by accepting a deed to his Lot, appoints, designates and constitutes any one of the officers of the Association or its duly appointed manager as agent with full irrevocable power and right to record a notice of said lien in favor of the Association; (2) a lien accruing hereunder shall be foreclosed in the same manner as provided by the laws of Colorado for public trustee foreclosures of deeds of trust on real property; and (3) such lien shall be subject and subordinate to and shall not affect the right of a holder of any prior recorded first encumbrance or the Lot of any interest therein, made in good faith and for value. The lien hereby given shall also be a lien upon all of the rents and profits of the Lots against which such liens are filed. In the event of a foreclosure, the owner shall be required to pay reasonable rental to the Association for occupying the same during the period of the foreclosure, and if after the filing of a foreclosure action the owner's Lot is left vacant, the Association may take possession of and rent said Lot or apply for the appointment of a receiver for the Lot without notice to the Lot owner. In addition to the lien herein granted, the Association shall have the right to bring an action at law against any owner who fails to pay any amounts assessed against his Lot and obtain judgment for the amount of the assessments due plus costs and reasonable attorney's fees as hereinabove provided. The Association shall have the power to bid at the foreclosure sale and if title is obtained, hold, lease, mortgage, encumber or convey the same.

(c) In the event an owner is in default on any obligation secured by an encumbrance on his Lot, the Association may at its option, pay the amount due on the said obligation and file a lien against the Lot in the same manner as provided for herein for unpaid assessments or fees.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. Approval.

(a) No structure, addition thereto, or modifications hereof shall be started, placed, erected, installed or completed on any Lot without written approval of the Architectural Control Committee and the proper Weld County permit(s).

(b) Two sets of plans which clearly illustrate any proposed structures, locations, layout and standards of construction shall be submitted to the Architectural Control Committee. One set shall be returned to the member submitting, with the comments of the Architectural Control Committee attached thereto. The other set shall be retained by the Architectural Control Committee for use in inspection of the structure by members of the Architectural Control Committee.

Should the Architectural Control Committee fail to approve or disapprove said plans within ten (10) days after submission, then such approval will not be required and the requirements of these covenants will be deemed to have been fulfilled. The member will allow the Architectural Control Committee to inspect the structure at any reasonable time during construction as often as deemed necessary by the Architectural Control Committee.

It is no the purpose of the covenants to restrict either the style of architecture or the type of materials to be used in building construction. It is anticipated that there will be a great variation in these areas. However, structures such as unattractive pole barns or hangars, unfinished corrugated sheet metal siding and/or roofing and other materials and methods comparable to these will not be allowed.