

[To be recorded  
in real estate records  
of Jefferson County.]

**BY-LAWS**  
**of**  
**Mount Vernon Country Club**

*The By-Laws set forth below (the "By-Laws") have been adopted by the Board of Directors of Mount Vernon Country Club, a Colorado nonprofit corporation (the "Corporation"). The By-Laws are derived from, and represent a consolidation of, both the previous by-laws and the Rules and Regulations of the Corporation in existence prior to January 14, 1998. The By-Laws also reflect the removal of provisions from the previous by-laws and the Rules and Regulations which are more properly included in the policies (the "Policies") of Mount Vernon Country Club Metropolitan District (the "District").*

*When the District was formed in February 1992, the Corporation assigned to the District substantially all of its properties (with the main exception being the so-called Custer Property), and the District assumed substantially all of the Corporation's obligations. Under Colorado law, the District is authorized to conduct certain activities that had been within the scope of the Corporation's previous by-laws and Rules and Regulations; accordingly, those provisions that were more properly included as a part of the Policies have been adopted by the Board of Directors of the District and the remaining provisions of the previous by-laws and Rules and Regulations are now included in these By-Laws. Conforming changes and other amendments have been made by the Board of Directors of the Corporation in connection with the adoption of these By-Laws.*

*When the District was formed, it was decided that the Board of Directors of the District also would serve as the Board of Directors of the Corporation, but provisions were retained in the previous by-laws to allow the Proprietary Members to remove the Board of Directors of the Corporation and to elect new members of the Board of Directors of the Corporation in the same manner as they had been elected under the provisions of the previous by-laws. Thus, the previous by-laws provided for "fallback" provisions that would come into play only if the Proprietary Members decided to elect members of the Board of Directors of the Corporation separately. These By-Laws eliminate those "fallback" provisions, on the assumption that if the Proprietary Members ever want to remove the Board of Directors and elect different people, they can cause the By-Laws to be amended to re-institute the old "fallback" provisions or can adopt new provisions that set forth a different procedure for electing members of the Board of Directors of the Corporation.*

*The By-Laws refer to "Proprietary Members," who are owners of residences within the subdivision known as Mount Vernon Club Place (whose boundaries are approximately the same as the boundaries of the District). The term "Proprietary Members" relates primarily to the voting rights of members of a non-profit corporation and to rules relating to occupancy of a residence within Mount Vernon Club Place. The approximate*

*counterpart to the term "Proprietary Members" in the Policies is "Property Owner," which refers to an owner of real property located within the District. The term "Property Owner" should be distinguished from the electors of the District (i.e., those who are entitled under Colorado law to elect the Board of Directors of the District), who are the individuals who live within the District or who own property within the District and are registered to vote in Colorado. The phrase "Mount Vernon Club Place" is used in these By-Laws to denote the real property within the subdivision of that name, while the Policies use the phrase "property located within the District."*

*Both the By-Laws and the Policies refer to "residents," who are residents of the District and who may or may not be Proprietary Members, and to the "Club," which is the physical plant that includes the clubhouse and recreational facilities of the District.*

*The term "Board" as used in these By-Laws refers to the Board of Directors of the Corporation, as distinguished from the Board of Directors of the District.*

*The procedures for electing the members of the Board of Directors of the District are governed by statute and are not affected by these By-Laws. Copies of the key statutory provisions that govern the operation of the District are available to any Property Owner at the business offices of the District.*

## **1. Proprietary Members**

1     Definition. Each owner of a residence located within Mount Vernon Club Place (other than the residences owned by the District) will become a Proprietary Member of the Corporation. If such a residence is owned by a married individual, or by both husband and wife, then each spouse jointly will be considered a Proprietary Member but together will comprise only one Proprietary Membership. If such a residence is owned by more than one person and such persons are not spouses, then such persons will designate one individual to be the Proprietary Member. For any situations not covered by the foregoing principles, the Board may determine which individual or individuals who have an ownership interest in a residence located within Mount Vernon Club Place (or who are related to such an individual) should be treated as a Proprietary Member for purposes of the By-Laws. In any event, each residence located within Mount Vernon Club Place (other than the residences owned by the District) will give rise to only one Proprietary Membership. Only individuals may be Proprietary Members, except that the Board in its discretion may allow the personal representatives of estates or the trustees of trusts to be Proprietary Members pending administration of the estate of a deceased Proprietary Member.

2     Requirements for Proprietary Membership. Applicants for Proprietary Membership must comply with the following requirements:

- (a)                   All applicants for Proprietary Membership must own a legal or equitable interest in the property as to which Proprietary Membership is requested or must be a spouse

of such a person, and each applicant must sign and file an application on the form prescribed from time to time by the Board. Each application must contain a complete description of the property as to which Proprietary Membership is requested and must obligate each applicant to abide by all provisions of the Articles of Incorporation and By-Laws of the Corporation, and the Policies of the District, as each of them may be amended from time to time. All signatories of an application for Proprietary Membership that is approved by the Board collectively will comprise a Proprietary Membership, and each signatory individually will be a Proprietary Member.

- (b) Except by special permission of the Board for such limited time as the Board prescribes, no Proprietary Member will be the owner, in whole or in part, of more than one Proprietary Certificate or more than one residence as to which a Proprietary Certificate is issuable. It is the intent of the By-Laws to deny to any person or family the simultaneous ownership of an interest in more than one residence located within Mount Vernon Club Place or more than one Proprietary Membership.
- (c) All Proprietary Members must become and remain Social Members of the Club, unless the Board grants an exception in its sole discretion.
- (d) Each application for Proprietary Membership must be accompanied by a certification, in such form as is required by the Board, that the sewage disposal system for the residence as to which Proprietary Membership is requested is in sound operating condition, does not constitute a nuisance or health hazard, and is of sufficient capacity to be used by the persons whom the applicant expects to reside in such residence.
- (e) Each application for Proprietary Membership must be accompanied by a certified survey of the plot showing the boundaries of the property proposed to be transferred and the location of improvements.
- (f) Each application for Proprietary Membership must be accompanied by the initiation fee applicable to new Proprietary Members.

- (g) In every case of transfer of any real property located within Mount Vernon Club Place, whether improved or unimproved, the deed and any other instruments of transfer that are to be recorded in the real estate records of Jefferson County, Colorado, must be submitted to the Board for prior approval as to form and content, so as to ensure that such instruments contain the words "subject to the reservations and restrictions, covenants, conditions, easements and rights-of-way in Book Three of Plats, Page Sixty-eight, recorded in the office of the Recorder, Jefferson County, Colorado, and in previous deeds of record pertaining to this property; and by the acceptance of this instrument the grantee accepts the Articles of Incorporation and the By-Laws of Mount Vernon Country Club, and the Policies of Mount Vernon Country Club Metropolitan District (formerly reflected in the By-Laws and Rules and Regulations of Mount Vernon Country Club), as each of them may be amended from time to time, and agrees to abide by the same". The deed restrictions will run with the land and be binding upon and inure to the benefit of the heirs, successors and assigns of each Proprietary Membership, the Corporation, and the District.
- (h) If the property of a Proprietary Membership not in good standing is to be transferred, the transferee must satisfy such requirements as the Board prescribes to restore such Proprietary Membership to good standing before approval of the transferee's application for Proprietary Membership.
- (i) The Board in its discretion may require any applicant for Proprietary Membership to furnish any additional information relating to the foregoing requirements that the Board deems relevant to its consideration of the application.

3 Proprietary Certificates and Voting.

- (a) Upon approval of an Application for Proprietary Membership, the Board will issue to the applicant a Proprietary Certificate. Each Proprietary Certificate is non-transferable, except as otherwise provided in the By-Laws, and has no value, force or effect except when owned by a Proprietary Membership in good standing. Each Proprietary Certificate is null and void upon transfer of title

to the residence underlying the Proprietary Membership. Only one Proprietary Certificate may be issued for each Proprietary Membership, and no fractional certificates may be issued.

- (b) To the extent permitted by law, upon any dissolution of the Corporation, each Proprietary Certificate entitles the Proprietary Member who owns such Proprietary Certificate and who is in good standing at the time the Corporation is dissolved, to an undivided, fractional interest in all of the Corporation's assets that is equal to one divided by the number of Proprietary Certificates held by all Proprietary Memberships in good standing at such time. To the extent any other ownership rights to the assets of the Corporation may exist under Colorado law, such rights will vest exclusively in the Proprietary Members in good standing, in the proportions described in the preceding sentence.
- (c) Each Proprietary Certificate entitles the Proprietary Membership, if in good standing, to cast one vote upon all questions or matters as to which Proprietary Memberships are entitled to vote.
- (d) If any Proprietary Membership acquires additional property within Mount Vernon Club Place that is contiguous to the property to which the Proprietary Certificate of such Proprietary Membership is applicable, such additional property will be treated as having become a part of the other property covered by such Proprietary Certificate. No property covered by a Proprietary Certificate, whether or not it was the subject of such an acquisition, may be separated or disconnected from one Proprietary Membership and transferred to any other person except with the prior approval of the Board.. The Proprietary Certificate for any Proprietary Membership affected by any permitted acquisition or transfer of property will be re-issued to reflect such acquisition or transfer.
- (e) No property to which a Proprietary Membership is applicable may be subdivided or transferred in order to create a building site.

4 Transfer of Proprietary Memberships.

- (a) The sale or conveyance of an interest in a Proprietary Member's residence does not automatically qualify the transferee for Proprietary Membership, but the transferee must comply with the requirements of Section 1.2 in order to qualify for Proprietary Membership.
- (b) If any Proprietary Membership transfers title to its residence to another Proprietary Membership, the Proprietary Membership of the transferring member will be terminated, and the Proprietary Certificate of the transferring Proprietary Membership will be surrendered to the Corporation for cancellation. Whether or not such Proprietary Certificate is surrendered, it will be deemed canceled and null and void. Subject to the limitation set forth in Section 1.2(b), a new Proprietary Certificate will then be issued to the transferee upon approval of the transfer by the Board.
- (c) If property is transferred to a person who is not a Proprietary Member, or if a person who is not a Proprietary Member acquires ownership in whole or in part of the property to which a Proprietary Membership is applicable, such person may become a Proprietary Member and receive a Proprietary Certificate upon satisfaction of the requirements of Section 1.2. The Board, in its discretion, may waive the initiation fee if a transfer of only a part of the property underlying a Proprietary Membership is involved.
- (d) Upon the divorce or legal separation of a Proprietary Member, the Proprietary Membership will be assigned and a Proprietary Certificate issued, if appropriate, in a manner that is consistent with disposition of the right to the property by court decree. Written proof of such change in ownership status must be submitted to the Board.
- (e) Any person who is not a Proprietary Member who acquires ownership of property located within Mount Vernon Club Place, in whole or in part, upon the death of a Proprietary Member, may become a Proprietary Member by fulfilling all requirements for Proprietary Membership, except that the Board in its discretion may waive the initiation fee.

During a period not to exceed one year from date of death of any Proprietary Member, such Proprietary Member's heirs, successors, assigns or personal representatives may be allowed certain or all privileges of Proprietary Membership at the discretion of the Board. If the interest of the deceased Proprietary Member is transferred to another person who is a Proprietary Member with the same Proprietary Membership (i.e., a surviving spouse), no action need be taken to confirm the status of such person as a Proprietary Member.

5 Payments by Proprietary Members: "Good Standing" Status.

- (a) Each Proprietary Member is responsible for all fees, dues, charges, assessments and other amounts payable to the District, and will pay such amounts in accordance with the Policies of the District.
- (b) If any amount due from any Proprietary Member to the District remains unpaid for over sixty days from the date of the District's invoice and if all past due amounts have not been paid in full within ten days after the District mails notice to the Proprietary Member (a "Delinquent Account"), the Proprietary Member will be considered not to be in good standing and will have no right to vote at any meeting of Proprietary Members until all past due amounts owed to the District are paid in full.
- (c) If a Delinquent Account exists with respect to a Proprietary Membership or if a Proprietary Member violates the By-Laws of the Corporation, or the Policies of the District, in any material respect or on a repeated basis, the Board may suspend or terminate the Proprietary Member from Proprietary Membership. Any such suspended or terminated Proprietary Membership may apply for reinstatement and upon the approval of the Board may be reinstated to the status of a Proprietary Membership "in good standing," upon fulfilling such requirements as the Board prescribes, which will include but will not necessarily be limited to the payment of any amounts due to the District. A Proprietary Membership is not "in good standing" during any period of suspension or termination.

2. **Meetings of Proprietary Members**

1        Annual and Semi-Annual Meetings. The Annual Meeting of the Proprietary Members will be held each year, at such date, time and place as is determined by the Board. A Semi-Annual Meeting of the Proprietary Members will be held approximately six months after each Annual Meeting, at such date, time and place as is determined by the Board.

2        Special Meetings. The Board may call a Special Meeting of the Proprietary Members at any time, and will call a special Meeting at the written request of 20% or more of the Proprietary Memberships in good standing. Any such request must describe in general the business desired to be transacted at the meeting.

3        Notice.

(a)        The Corporation will mail notice of any meeting of the Proprietary Members to each Proprietary Member at least seven days prior to the meeting, except as otherwise provided by law or except when the Board determines that a state of emergency exists.

(b)        The Board will include in the notice of any meeting a general description of the subjects for formal action to be considered at the meeting. No action may be taken at any meeting of Proprietary Members upon any subject not described in the notice of such meeting, although other business or subjects may be discussed without formal action. Any five Proprietary Memberships in good standing may petition the Board at least thirty days prior to any Annual or Semi-Annual Meeting, in order to include a description of any matter in the notice of the meeting and to include such matter as an item to be placed in the agenda of the meeting.

(c)        The Corporation will mail all notices to a Proprietary Membership to the last known address of the Proprietary Membership, as shown on the records of the Corporation. Any Proprietary Membership may specify an address for notices by giving written notice to the Corporation.

4        Attendance. Only Proprietary Members may be present at meetings of the Corporation, except that other persons may attend upon specific invitation of the Board.

5        Voting. Only those Proprietary Memberships in good standing at the time of any meeting of Proprietary Members are eligible to vote. Each Proprietary Membership may cast only one vote, regardless of the number of Proprietary Members associated with such Proprietary Membership. Any individual who is associated with a Proprietary Membership may cast the vote for the Proprietary Membership as to which such individual is associated. Any Proprietary Membership in good standing may give its written proxy to any other Proprietary Membership in good standing, but no Proprietary Membership may vote more than one Proprietary Membership's proxy.

6        Quorum. The presence in person or by proxy of at least 35% of the Proprietary Memberships entitled to vote will constitute a quorum for the conduct of official business at any meeting. If a quorum is not present, the President or a majority of the Propriety Members present and entitled to vote may adjourn the meeting and reschedule the meeting to any other

date within twenty-one days after the date originally scheduled for the meeting. Such rescheduled meeting, if a quorum is present when held, will have the same force and effect as if held at the originally scheduled time and date. Notice of a rescheduled meeting will be mailed to each Proprietary Membership at least seven days prior to the date of the rescheduled meeting.

7 Vote Requirements. A majority of those Proprietary Members in good standing who are in attendance in person or by proxy at any meeting of the Proprietary Members at which a quorum is present is sufficient to take any action, except as provided in Articles 9 and 10.

8 Order of Business.

(a) Unless modified by the Board, the order of business at an Annual Meeting will be as follows:

- (i) roll call;
- (ii) reading of notice of meeting;
- (iii) reading of minutes;
- (iv) reports of officers;
- (v) reports of committees;
- (vi) other business (as specifically set forth in the notice of the meeting, if formal action is required); and
- (vii) adjournment.

(b) Unless modified by the Board, the order of business at a Semi-Annual Meeting will be as follows:

- (i) roll call;
- (ii) reading of notice of meeting;
- (iii) reading of minutes;
- (iv) other business (as specifically set forth in the notice of the meeting, if formal action is required); and
- (v) adjournment.

3. **Board of Directors and Officers**

1 Composition of Board of Directors.

(a) The management of the Corporation is vested in a Board consisting of the persons who are elected and serve as members of the Board of Directors of the District, except as provided in Sections 3.1(c), (d), and (e). Vacancies on the Board or in any officer position will be filled in the same manner as, and with the same persons as, vacancies are filled on the Board of Directors of the District or in any officer position of the District, except as provided in Sections 3.1(c), (d), and (e). Any person who resigns as a member of the Board of Directors of the District will also be deemed to have resigned as a member of the Board.

(b) The officers of the Corporation will be the officers of the District, except as provided in Section 3.4. In addition, the Board may elect such other officers as it deems necessary or desirable and will determine their titles, duties and term of office.

(c) Notwithstanding the provisions of Section 3.1(a), upon the vote of the Proprietary Members at a meeting held for such purpose, the Proprietary Members may remove any or all of the members of the Board, with or without cause, and may elect substitute members of the Board to fill the vacancy or vacancies created by such removal(s). After any such removal, members of the Board not so removed will continue in office until the expiration of their respective terms as members of the Board of Directors of the District, and any vacancies created by the resignation, death or incapacity of a member of the Board will be filled by the vote of a majority of the remaining members of the Board.

(d) Notwithstanding the provisions of Section 3.1(a), the Board, at its discretion, may remove from office any Director whose property in Mount Vernon Club Place is under contract for sale, who leases such property for a period of more than six months in any calendar year, or who does not reside in such property as his or her principal residence.

(e) Notwithstanding the provisions of Section 3.1(a), the acceptance by the Board of the resignation of any Director will automatically vacate such person's status as a Director. Any vacancies on the Board caused by death, suspension, resignation or recall from office will be filled by the Board.

2 Board Meetings. Meetings of the Board may be held contemporaneously with or separately from meetings of the Board of Directors of the District. Any properly called meeting of the Board of Directors of the District will be a properly called meeting of the Board. The President or any two Directors may call a meeting of the Board. The Corporation will provide at least forty-eight hours notice in person or by telephone to each Director for all special meetings, unless a majority of the Directors then in office determine that an emergency exists. Each notice of a meeting of the Board will include a general description of the business to be transacted. A majority of the Directors then in office will constitute a quorum for the transaction of business. The affirmative vote of three Directors (or such lesser number if the Board is comprised of fewer than three members at any time) present at any meeting of the Board will constitute the action of the Board except as otherwise provided in the By-Laws.

3 Powers of the Board.

(a) The Board has and may exercise all powers of the Corporation, except as limited by the statutes of the State of Colorado, applicable requirements of Jefferson County, and the By-Laws.

(b) No debt may be incurred, no expense authorized, no bill paid, no employee employed or discharged, and no property purchased or sold on behalf of or for the

account of the Corporation, without the authority of the Board, which authority may be delegated to executive personnel of the Corporation as the Board deems necessary or appropriate.

(c) The Board, from time to time, on behalf of the Corporation, may incur indebtedness in such amount and on such terms as it deems appropriate.

(d) No Director may vote concerning any Board decision or action in which he or she has any financial interest which may result in his or her personal gain, but any such Director may participate in discussions and be counted for purposes of creating a quorum.

(e) The enumeration of specific powers in the By-Laws will not be construed as an exclusion of other proper powers necessary for the efficient management and general welfare of the Corporation.

4 Compensation of Directors. Directors will not be paid any salaries as such for their services or for attendance for attendance at any regular or special meeting of the Board. Nothing in the By-Laws will be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for such services, and the Directors are not bound by the limitations on fees that are imposed upon them as Directors of the District.

5 Indemnification of Directors. The Corporation will indemnify each Director and officer and his or her heirs, successors, assigns and personal representatives to the maximum extent permitted by law. The indemnification provided for in the By-Laws is not exclusive of any other rights of indemnification to which a Director or officer may be entitled.

#### 4. **Committees**

1 Authority of Board. The Board may establish such committees from time to time as it deems appropriate, which may be ad hoc committees or standing committees. The Board may appoint such persons (who may be, but need not be, Proprietary Members) as members of such committees as it deems appropriate. All committees report to and serve under the direction of the Board, and all members of all committees serve at the pleasure of the Board. The Board may change the responsibilities of any committee from time to time by written direction to such committee or by amendment of the By-Laws.

2 Standing Committees. Unless the Board otherwise directs, the Board will establish the following standing committees, which will be chaired by and composed of the following persons, and which will have the following responsibilities:

(a) *Proprietary/Real Estate Committee.* The Committee will be chaired by a Proprietary Member appointed by the Board (who need not be a Director) and will be composed of Proprietary Members. The Committee will provide information to prospective buyers and sellers of homes in Mount Vernon Club Place; assist in the transfer of real estate; introduce new homeowners and renters to the community; update directories of the Proprietary Members; assist the Board in the formulation and continuation of such real estate policies as will best promote the

interests of the Proprietary Members; monitor, prepare and maintain ownership maps and files relating to studies, zoning, and land regulation within Mount Vernon Club Place and the neighboring mountain areas; monitor recommendations and Board decisions pertaining to real estate, zoning and land regulation; keep abreast of real estate developments in contiguous areas; maintain and monitor land ownership records of properties within Mount Vernon Club Place; assist Proprietary Members in meeting provisions of the By-Laws pertaining to new construction and improvements, and requests for approval; review proposed new construction plans and other improvement plans; evaluate land management concerns for residential and commercial areas; review domestic animal control proposals; review proposals that will have an aesthetic or visual impact on Mount Vernon Club Place; act as a liaison to Canyon Area Residents for the Environment and any similar organizations; monitor tax sales of property located within Mount Vernon Club Place; and recommend appropriate action to the Board with respect to each of the foregoing.

(b) *Community Activities.* The Committee will be chaired by a Proprietary Member appointed by the Board (who need not be a Director) and may be composed solely of Proprietary Members or may include Social Members. The Committee will foster community interest and programs essential in maintaining a cohesive community; organize social and recreational activities for Proprietary Members; oversee the plans and programs of the recreational areas such as Five Points and the District's recreation area adjacent to the Clubhouse; coordinate with the Board and the Executive Manager when corporate services are needed to support these activities; and communicate with the Proprietary Members through a newsletter or flyers.

4.3 Ad Hoc Recommendations Committee. In order to ensure that the members of Board (including such persons in their capacities as members of the Board of Directors of the District) collectively have the sets of skills necessary to manage the Corporation and the District, the Board may appoint a committee for the purpose of soliciting Property Owners and residents of the District to run for election as a member of the Board of Directors of the District. The Committee, if appointed, will be composed of the most recent three past presidents of the Board who are not then on the Board and who are willing to serve on the Committee, and two additional Proprietary Members selected by such persons. The Committee may publicize the results of their efforts, including the identity of the persons recommended and the reasons for the Committee's recommendations of such persons. Any publicized recommendation will include statements to the effect that the recommendations of the Committee constitute only the recommendations of a committee appointed by the Board of Directors of the Corporation and carry no legal force, and that no person eligible to run for office under the laws of Colorado is precluded from doing so by reason of not having been recommended by the Committee.

## 5. **Rules of Conduct**

1 Operation of Vehicles. When driving a motor vehicle, Proprietary Members, residents, guests, tenants, employees, and all other persons at all times must comply with the speed limits posted on the roads located within Mount Vernon Club Place and, where the roads are not posted, the applicable speed limit is 15 miles per hour. Any motor driven vehicle (which

includes cars, trucks, all terrain vehicles, snowmobiles, dirt bikes, and motorcycles) operated on, or parked on, roads located within Mount Vernon Club Place, parking lots, or other property owned by the District must be duly licensed under a state motor vehicle code and must be driven by an operator with a valid driver's license. The use of motor vehicles in the District other than on dedicated roads and private driveways is prohibited. Vehicles may not be left for more than 24 hours on roads located within the District, and the Corporation or the District may tow any vehicle that is left for more than 24 hours on a road located within the Mount Vernon Club Place, with the cost to be borne by the owner of the vehicle. The Corporation also may tow any vehicle or other obstruction at any time if such action is appropriate or necessary for snowplowing, emergency access, or similar exigencies.

2 Skateboards and Rollerblades. Skateboarding and rollerblading on roads, any parking area, and any tennis court (other than the tennis court located at Five Points) located within Mount Vernon Club Place is prohibited.

3 Trash Collection. Proprietary Members and residents are required to deposit garbage and trash in containers that are securely covered and placed where they are readily accessible from the nearest road for collection by truck. All garbage and trash must be placed in plastic or other acceptable bags and inserted into suitable containers so as to prevent dogs and other animals from obtaining access to the garbage and trash.

4 Corral Group. Horses may be ridden on roads and property located within Mount Vernon Club Place and may be pastured on property located within the District according to policies established from time to time by the Board, subject to the approval of the District.

5 Domestic Animals. Proprietary Members and residents who lawfully reside in Mount Vernon Club Place may have a maximum of three household pets (cats and/or dogs) per residence (and their offspring, until weaned), but may not permit any pets to become a nuisance to others by allowing them to roam at large unattended, to molest wildlife, to pack, to become noisy, or to threaten or harm others. The Board may require confinement of any animal that threatens any person if complaints are filed. The Board may require the permanent removal of any animal from Mount Vernon Club Place, subject to written warning and/or notice before any such action is taken, or without warning or notice in the event of an emergency as determined by the Board.

6 Care of Plant Life. Proprietary Members and residents will be responsible for the appropriate treatment of diseased trees, including their removal, that are located on the property of the Proprietary Member or resident. If the Board informs a Proprietary Member or resident of the existence of diseased trees on such person's property and the Proprietary Member or resident fails to treat or remove such trees within a reasonable period, the Board may authorize the entry onto the land for the appropriate treatment or removal of such trees and may require the Proprietary Member and the resident to pay any costs associated with such actions. Trees may not be cut on land owned by the District without prior Board approval.

7 Fires. Proprietary Members and residents at all times are encouraged to take every reasonable precaution to prevent fires and to eliminate fire hazards on such person's

property. Out-of-doors fires and outside fireplaces, barbecue pits, and other proper and safe locations where facilities for fire control are available are permitted. Under the resolutions of Jefferson County, no fires for the burning of trash, rubble, dried leaves, garbage, or the like are permitted. Fireworks are not permitted.

8 Firearms. Except in the protection of life or property, the discharge of firearms on any property located within Mount Vernon Club Place is prohibited.

## 6. **Commercial Enterprises**

1 Prohibition Against Business Enterprises. Except as provided in Sections 6.2 and 6.3, no resident of Mount Vernon Club Place may establish, conduct, or have any direct financial interest in any business or commercial enterprise located within Mount Vernon Club Place that is visible or audible from the nearest road or other residence or that otherwise creates a visible, audible, or olfactory nuisance, as reasonably determined by the Board. A "business or commercial enterprise" includes any enterprise that provides services to the public; any distribution, wholesaling, retailing, or jobbing business; or any manufacturing, fabrication, or processing of products for resale to the public.

2 Exclusions. The restrictions set forth in Section 6.1 do not prohibit any resident, in his or her individual capacity, from pursuing a profession or business that does not require frequent contact with the public on property within Mount Vernon Club Place, such as that of an artist, writer, designer, or the like and, in such connection, the resident may use his or her residence as a studio, office, or laboratory, as long as such activities do not create a hazard or nuisance to the well being or convenience and comfort of other residents.

3 Exceptions With Board Approval. Any business or commercial enterprise that does not come within the exclusion set forth in Section 6.2 may be conducted within Mount Vernon Club Place only with the prior approval of the Board.

## 7. **Rules Applicable to Residences of Proprietary Members**

1 General. The provisions of the By-Laws relating to the residences located within Mount Vernon Club Place are intended to protect and enhance the quality, value, desirability, and attractiveness of all property in Mount Vernon Club Place. The By-Laws apply to all real property located within Mount Vernon Club Place, run with the land, and are binding and will inure to the benefit of the Corporation, the District, and the Proprietary Members.

2 Compliance with Law. All Proprietary Members and residents must maintain their property at all times in compliance with zoning and building regulations of Jefferson County, the laws of Colorado, the By-Laws and the Policies of the District.

3 Maintenance of Property. All Proprietary Members and residents at all times must keep their land and the external areas of any improvements in a neat, clean, safe, attractive and sightly condition, in good repair, free from unsightly litter, refuse, junk, or any condition that

may constitute a nuisance or menace to the health, safety, comfort and general welfare of the Corporation, the District, and the Proprietary Members and residents. No Proprietary Member or resident will allow his or her land or improvements to deteriorate materially in appearance. The maintenance, repair, and upkeep of each residence is the responsibility of the Proprietary Member and any residents. The Corporation, after notice and hearing before the Board, or upon an emergency, may enter onto the land or improvements of any Proprietary Member or resident who violates any provision of this Section 7.3 in order to cure the violation or cause compliance with these provisions, and in such connection may impose upon the Proprietary Member or resident a charge for the costs of taking any such action. The Corporation may not enter into the interior of any improvement intended for human occupancy without the consent of the Proprietary Member or resident, unless an emergency exists.

4 New Construction and Improvements. No new residence, fence or other improvement may be constructed, no external structural change to any existing residence, fence, or other improvement or any new improvement may be made (other than painting or other routine maintenance repairs), and no excavation in connection with any such actions may be made, on any property located within Mount Vernon Club Place, until the Board has approved such actions. In granting or denying approval, the Board may consider the availability of water, the effect of the contemplated structure or facility on the surrounding area, population density, density of improvements, quality of workmanship and materials, harmony of external design and color with existing structures, the location of the improvement with respect to topography and finished grade elevation, and aesthetic or other factors and reasons that the Board in its discretion deems relevant.

The following additional requirements must be satisfied for any person to build a new residence within Mount Vernon Club Place:

- (a) the applicant must have ownership of a minimum of 18 contiguous lots in a location acceptable as a building site that is in conformity with the requirements imposed by Jefferson County;
- (b) the residence must have a minimum of 2,000 square feet of living space;
- (c) the plans for the residence must have been approved by the Board;
- (d) evidence must be submitted to the Board that the building site and building plans are in compliance with the requirements of Jefferson County; and
- (e) the applicant must obtain the Board's prior approval of the septic system and source of water supply.

5 Other Construction, Remodeling or Improvements. Any of the following improvements may be made at any location within Mount Vernon Club Place only with the prior approval of the Board:

- (a) any structure, irrespective of size, that is separate and apart from any existing building or that does not depend upon any existing structure for support;

- (b) any external change in an existing structure or any other new improvements, other than painting and other routine maintenance or repairs;
- (c) any permanent or semipermanent sports facility, such as a tennis court, swimming pool, skating rink, or the like (but not including children's play equipment such as swings and sandboxes);
- (d) any excavation more than two feet in depth, irrespective of purpose;
- (e) any structure, apparatus, or transplanted natural growth, the highest point of which is more than 20 feet above the natural ground surface immediately beneath such structure, apparatus, or transplanted natural growth;
- (f) any fence, irrespective of purpose, including dog runs; and
- (g) any structure that may obstruct, in any way, the use of any road located within Mount Vernon Club Place or that may interfere with the District's ability to maintain the roads, such as berms, rock walls, and paving of driveways that will come within three feet of the road.

Any construction, remodeling, or improvements that require approval of the Board and are visible from the outside of the residence must be completed within a reasonable time after the time of approval (not to exceed one year), whether conducted by a contractor or otherwise. If such activities are not completed within such one-year period, the applicant must obtain an extension of time from the Board or seek a new approval from the Board.

6 Requirements for Applications. Any request for approval governed by the provisions of this Article 7 must be made in writing to the Board at least 30 days prior to the commencement of the work and must be accompanied by the following items:

- (a) a description of the purpose of the improvement or new structure, in reasonable detail, indicating in particular whether the improvement or new structure is designed for use by family members, guests, or domestic help;
- (b) construction plans and specifications and a plot plan showing the exact location of the contemplated improvement or new structure with respect to lot lines, water lines, roads, and existing buildings, fences, and other structures on the pertinent property and on adjacent properties;
- (c) a description of all elevations;
- (d) all pertinent instruments that show land ownership. A pin survey may be required by the Board.

The foregoing materials must be submitted in support of any request for approval of an improvement or new construction, and copies of all such materials will be retained in the files of the Corporation. The applicant also must cause a completed floor plan to be filed with the Foothills Fire Protection District. No change may be made in any plans for any improvement or new structure that is subject to prior approval of the Board unless written approval of that specific change has been obtained from the Board.

7 Septic Systems. All Proprietary Members and residents are required to keep their septic systems or other sanitation facilities in proper condition, and to avoid any overflow from them. If any malfunction occurs, the Proprietary Member or resident must provide for prompt, effective correction of the malfunction. If the malfunction cannot be corrected, the Proprietary Member or resident must arrange for the replacement of the unit immediately. Any plans for a new septic system must be approved by the appropriate health and regulatory agency and are also subject to prior approval by the Board before any construction work may commence. If a hazardous or offensive condition exists with respect to the sanitation facility of any Proprietary Member or resident and the Proprietary Member or resident fails to take prompt action, the Corporation, after written notice to the Proprietary Member or resident or upon an emergency, may undertake any necessary repairs or other action (including the cessation of water service) and may require the Proprietary Member or resident to reimburse the Corporation for the cost of such actions.

8 Noxious or Offensive Activity. No Proprietary Member or resident will permit any noxious or offensive activity to take place upon such person's residence or will cause or permit anything to be done or placed on such property that is or may become a nuisance or cause an unreasonable embarrassment, disturbance, or annoyance to others.

9 Annoying Sounds or Odors. No Proprietary Member or resident will permit any sound or odor to be emitted from such person's residence that is noxious or unreasonably offensive to others. Without limiting the generality of the foregoing, no Proprietary Member or resident will utilize exterior speakers, horns, whistles, bells, or other sound devices, other than devices used exclusively for security purposes, upon any such property, except with the prior approval of the Board. Each Proprietary Member and resident will cause any dogs or other pets located on such person's residence to avoid habitual barking, howling or yelping.

10 Unsightliness. All Proprietary Members and residents will enclose all unsightly conditions, facilities, vehicles, equipment, and objects within a structure, or conceal such items from public view from roads located within Mount Vernon Club Place or adjoining properties, by means of trees or shrubs or by screening or fencing that is harmonious with existing structures or is indigenous to the area. Any such screening or fencing is subject to prior approval by the Board. These restrictions apply to, among other things, snow removal equipment, snowmobiles, garden or maintenance equipment (except when in actual use), television satellite dishes, and other television and radio antennae of any kind, and any solar energy collector or device that is located on the ground, except as any such items may be approved by the Board.

11 Signs. Without prior approval of the Board, no Proprietary Member or resident will display to the public on any part of such person's property any commercial sign of any kind, except for one sign per residence of not more than five square feet that advertises a residence for sale or rent. This restriction will not prevent any person from utilizing a sign that sets forth the names of the residents or the street number of the residence, or both.

12 Supplementary Dwellings. No Proprietary Member or resident may erect or maintain any outhouse of any kind, or any tent, shed, trailer, mobile home or any similar shelter on any property located in Mount Vernon Club Place that is used or intended for human habitation.

13 Parking Areas. All Proprietary Members and residents must provide parking areas for their vehicles that are off of thoroughfares of roads located within Mount Vernon Club Place. Parking areas must be of adequate size and design so that no portion of a parked vehicle is closer than two feet from the outside boundary line of the road. No trailer, motor home, camper (including vehicle-mounted camper, whether chassis or slide-in), inoperable automobile, boat, airplane or truck (except a pickup truck) or recreational vehicle may be parked, placed, stored, or maintained at any residence in Mount Vernon Club Place unless (a) it is parked or stored within a garage or other structure, or (b) is concealed from public view from roads located within Mount Vernon Club Place and adjoining properties, by trees, shrubs, or screening or fencing that is harmonious with existing structures. Any screening or fencing is subject to prior approval by the Board.

14 Commercial Vehicles and Equipment. No commercial vehicles or equipment may be parked or stored within the boundaries of Mount Vernon Club Place. The foregoing restriction is applicable to private residential property as well as roads, parking areas, storage areas, and other properties owned by the District. Commercial vehicles and equipment include all mobile construction equipment and vehicles of all types that are principally used for business purposes, such as trailer trucks, flatbed trucks, stake trucks, and dump trucks. This prohibition does not apply to recreational vehicles, including trailers, or family automobiles, including pickup trucks, that are used as regular means of transportation by a resident, that are not over 24 feet in length, and that are stored in compliance with the provisions of Section 7.13. The foregoing prohibitions also are not applicable to equipment owned by the District.

15 Restrictions on Mining and Drilling. No property within Mount Vernon Club Place may be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas, or other hydrocarbons, ores, minerals, rocks, stones, gravel, or earth, or removing underground water, except upon prior approval by the Board.

## **8. Tenants and Guests; Prohibition Against Second Resident Families**

1 Definition of Tenant. A "tenant" is any person who pays for the use, directly or indirectly, of all or a part of the real property of a Proprietary Member that is located within Mount Vernon Club Place.

2        Approval of Tenancies. In addition to the provisions set forth in the Policies of the District, no Proprietary Member may create a tenancy, and no tenant may occupy any residence located within Mount Vernon Club Place, until the Proprietary Member (a) has obtained and delivered to the Real Estate Committee a fully completed and signed tenant application form; (b) the tenancy has been approved by the Board; and (c) the Proprietary Member has provided the tenant with a current copy of the By-Laws and the Policies of the District.

3        Tenant Obligations. Tenants are subject to the same rules as apply to Proprietary Members, including the By-Laws and the Policies of the District. Notwithstanding the foregoing, Proprietary Members are responsible for fees and charges incurred by their tenants.

4        Definition of Guest. A "guest" is any person who occupies the residence of a Proprietary Member for an extended period and without payment of any consideration for such occupancy. Although there is no specific period of residency that will cause a person to be considered a tenant rather than a guest, the Board will take the position that the long-standing occupancy of a portion of a residence of a Proprietary Member by an additional family unit will constitute a violation of both the resolutions of Jefferson County and the By-Laws. Live-in employees and relatives are considered as part of the Proprietary Member's or resident's family. by any transfer.

5        Definition of Guest House. A "guest house" is a separated portion of the residence of a Proprietary Member or resident that is used for temporary periods by guests of the primary resident. Usually, a guest house will be a structure located on the property of the Proprietary Member that is separate from the main residence, but it may also be attached to the main residence and may be identifiable as a self-contained unit. Proprietary Members and residents may not utilize, or allow to be utilized, a guest house as a separate dwelling unit for independent living by a person or family that is not of the same family as the primary residents.

6        Obligations of Guests. Guests are subject to the same rules as apply to Proprietary Members and residents, including the By-laws and the Policies of the District. Notwithstanding the foregoing, Proprietary Members and residents are responsible for the fees and charges incurred by their guests.

9.        **Land Use Plan.**

The Corporation adopts the provisions of the 1980 Mount Vernon Country Club Land Use Plan (the "Land Use Plan"). If the District proposes to convey any real property in such a manner that the terms of the Conveyance Agreement between the Corporation and the District dated February, 1992 require the approval of the Board and the Proprietary Members or to amend the provisions of the Land Use Plan, then the Corporation will comply with the procedures set forth in the Land Use Plan and the Conveyance Agreement.

10.      **Amendment.**

The Board, acting by the affirmative vote of three fourths of the Directors then in office, or the Proprietary Members, acting by the affirmative vote of a majority of the Proprietary Members in good standing, may amend the By-Laws from time to time, except that no amendment may be made to the provisions of Article 9 (or to the provisions of this Article 10 to the extent any such amendment would affect the ability to amend the provisions of Article 9) without compliance with the provisions of Article 9.