

of a building permit for a dwelling unit on the new lots (Lots 1 through 21) on the Lazy O Ranch. The pro-rated payment shall be \$13,333.33 per dwelling unit. The pro-rated payment shall be indexed to the low-income cash-in-lieu of guideline in effect at the time of payment.

4. Guidelines. The ranch manager's house and employee bunkhouse shall be governed by the low-income rental price guidelines annually adopted by the Board of County Commissioners and in effect at the time of issuance of the first building permit for Lots 1 through 21 of the ranch, and shall be occupied by employees of the Ranch independent of their income.

Verification of employment of the qualifying tenants for the Ranch Manager house and employee bunkhouse shall be furnished to the Aspen/Pitkin County Housing Office before execution of a rental lease to the tenants. The Association shall be required to supply the Aspen/Pitkin County Housing Office with a copy of the lease executed with a qualified tenant each six (6) months thereafter (or upon the renewal of the lease if for a longer period). The Aspen/Pitkin County Housing Office shall be given a copy of the renewed lease.

#### ARTICLE XV

##### Collection of Assessments -- Enforcement

1. Assessments. Except as may be otherwise provided by

these Covenants, all Lot owners shall be obligated to pay any assessments lawfully imposed by the Board of Directors of the Association. LOCC shall be required to pay assessments to the Association attributable to any Lot in the Lazy O Ranch owned by it. To the extent the Association is responsible therefor, assessments may be lawfully imposed for any items of common expense which may include, among other things: expenses for maintaining, improving and snowplowing the private road known as Lazy O Road; expenses of the Agricultural Lands; expenses of the agricultural operation of the Agricultural Lands; expenses for maintaining and improving the domestic water system; expenses of implementation and maintaining a security system for the residents of the Lazy O Ranch; fire protection systems; expenses of operating equestrian facilities; expenses of the Architectural Committee; expenses for dog control; and, any other reasonable costs and expenses incurred by the Association in pursuit of its purposes. The Board of Directors may establish contingency and reserve funds for the maintenance and improvement of the private road and the domestic water system and any other anticipated costs and expenses of the Association to be incurred in pursuit of its purposes. Contingency and reserve funds shall be in such an amount as the Board of Directors may deem necessary and appropriate for the aforesaid purposes and each owner shall be required to pay his pro rata portion of these funds. As used herein, an owner's pro rata portion of common expense shall mean 1/22, based on there being twenty-two (22) Lots in the Lazy O Ranch. The Board of Directors shall have the right during any

calendar year to levy and assess against all of the owners a special assessment for such purpose or purposes, in accordance with these Covenants, or the articles or bylaws of the Association, as may be necessary. Such special assessment shall be paid for in equal portions by the owners obligated to pay such assessments and shall be due and payable as determined by the Board of Directors.

2. Lien for Non-Payment of Assessments or Fines. All sums assessed by the Board of Directors including, without limitation, the share of common expense assessments chargeable to any Lot owner, any fines which may be levied on a Lot owner and unpaid water service fees and assessments charged to a Lot owner as is provided in Article VIII, herein, shall constitute a lien against such Lot superior (prior) to all other liens and encumbrances, excepting only:

a. tax and special assessment liens on the Lots in favor of any governmental assessing unit, and,

b. all sums unpaid on a first mortgage of record, including any unpaid obligatory sums as may be provided by encumbrance.

If any assessment shall remain unpaid after twenty (20) days after the due date thereof, such unpaid sums shall bear interest from and after the due date thereof at the maximum rate of interest permitted by law, or at such rate as is determined by



the Board of Directors, and the Board of Directors may impose a late charge on such defaulting owner in an amount not exceeding one hundred fifty dollars (\$150.00) to cover the extra costs and expenses involved in handling such delinquent assessments. This fee may be modified by the Board of Directors as they deem appropriate. In addition the Board of Directors shall be entitled to collect reasonable attorneys' fees incurred in connection with any demands for payment and/or collection of delinquent assessments. To evidence such lien the Board of Directors shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the owner of the Lot and its legal description. Such a notice shall be signed by one of the Board of Directors and shall be recorded in the office of the Clerk and Recorder of the County of Pitkin, Colorado. Such lien may be enforced by foreclosure of the defaulting owner's Lot by the Association in like manner as a mortgage on real property, upon the recording of a notice of claim thereof. In any such foreclosure the owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorneys' fees. The owner shall also be required to pay to the Association any additional assessments against the Lot during the period of foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. The Board of Directors, for the Association, shall have the power to bid on the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey same. The Association, at its election, and

in addition to any other remedies it may have at law or in equity, may also sue an owner personally to collect any monies owed the Association.

c. Each owner hereby agrees that the Association's lien on a Lot for assessments as hereinbefore described shall be superior to the Homestead Exemption provided by C.R.S. § 38-41-201, et seq. (1973, as amended) and each owner hereby agrees that the acceptance of the deed or other instrument of conveyance in regard to any Lot within the Lazy O Ranch shall signify such grantee's waiver of the homestead right granted in said section of the Colorado statutes.

d. Any recorded lien for non-payment of the common expenses may be released by recording a release of lien executed by a member of the Board of Directors.

3. Enforcement Actions. The Association, acting by and through its Board of Directors, shall have the right to prosecute any action to enforce the provisions of all of these Covenants by injunctive relief, on behalf of itself and all or part of the owners of the lands within the Lazy O Ranch. In addition, each owner of land within the Lazy O Ranch, including the Association, shall have the right to prosecute any action for injunctive relief and for damages by reason of any violation of these Covenants. LOCC independently, for so long as it retains any of the rights granted, retained or reserved to it hereunder, shall have the right to prosecute any action for injunctive relief and for damages against any owner or the Association by reason of any



violation of these Covenants. The prevailing party in any enforcement action shall be entitled to an award of its reasonable costs and attorney's fees.

4. Limitations on Actions. In the event any construction or alteration or landscaping work is commenced upon any of the lands in the Lazy O Ranch in violation of these Covenants and no action is commenced within 180 days thereafter to restrain such violation, then injunctive or equitable relief shall be denied, but an action for damages shall still be available to any party aggrieved. This 180 day limitation shall not apply to injunctive or equitable relief against other violations of these Covenants, nor shall it apply to the provisions of paragraph 4 of Article XII.

5. Fines. In addition to the enforcement actions provided for above, the Board of Directors shall have the right, after affording notice and an opportunity to be heard to a Lot owner, to fine, in a reasonable amount, the owner for any violations of these Covenants. The fine may be assessed as a lump sum or on a per diem basis for the number of days that an owner is in violation of the Covenants. Any such amounts that a Lot owner is fined shall be deemed a lien against the Lot and may be collected and foreclosed on in the same manner as is provided above for the collection of common expense assessments or elimination of water service pursuant to Article VIII, Section 1.