

**FOURTH AMENDMENT
TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR CEDAR HEIGHTS**

THIS FOURTH AMENDMENT is made this 6TH day of JUNE, 2013, by Cedar Heights Community Association, Inc. (the "Association"), and amends the Declaration of Covenants, Conditions, Restrictions and Easements for Cedar Heights recorded on June 16, 1993 in Book 6195 at Page 720, records of El Paso County, Colorado (the "Cedar Heights Declaration"). The Cedar Heights Declaration was previously amended by the First Amendment to Declaration recorded on September 25, 1996 at Reception Number 96122182, the Second Amendment to Declaration recorded on March 27, 2007 at Reception No. 207041508, and the Third Amendment to Declaration recorded on July 5, 2011 at Reception No. 211064515, records of El Paso County, Colorado (collectively, the "Declaration").

Background and Purpose

A. The purpose of this Fourth Amendment is to amend and restate Section 8.1 General Duties and Powers of Association, and Section 11.8 Special Assessments of the Declaration, and by amending such sections, to expressly authorize the Association to enter into a contract for establishing an equity line of credit which the Association can draw upon in order to carry out emergency repairs or replacements of critical infrastructure due to failures.

B. Pursuant to Section 14.3 of the Declaration, any provision in the Declaration may be amended upon the approval by Members with at least sixty-seven percent of the voting power of the Association. Members constituting 74 % of the total number of votes of the Association have approved, by written consent, the amendment to the Declaration contained in this Fourth Amendment.

Accordingly, the Association hereby amends the Declaration as follows:

Amendment

1. **Section 8.1 General Duties and Powers of Association**, is amended and restated as follows:

The Association has been formed to further the common interests of the Members. The Association, acting through the Board or representatives to whom the Board has delegated such powers, shall have the duties and powers given non-profit corporations, including without limitation those hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve and enhance Association Properties, and to improve and enhance the attractiveness, desirability and safety of the Community Area. The Association shall have and may exercise all powers enumerated in Section 302 of the Colorado Common Interest Ownership Act, Section 38-33.3-302, Colorado Revised

RETURN TO:
Jane B. Fredman, Esquire
Flynn Wright & Fredman, LLC
111 S. Tejon Street, # 202
Colorado Springs, Colorado 80903

Statutes, including the power to assign its right to future income and to receive Assessments. The Association shall also have the power to pledge all or a portion of the Association Properties as security for a loan to or financial obligation of the Association. Except as expressly otherwise provided in the Association Documents or by Colorado law, the Association shall act through the Board of Directors, without the vote or meeting of the Members, and the Board may exercise all rights, powers and interests of the Association, as described in this Article or elsewhere in the Association Documents.

2. **Section 11.8 Special Assessments** is amended and restated as follows:

In addition to Common Assessments, the Board of Directors may, subject to the provisions of this section, levy Special Assessments for the purpose of raising funds to construct or reconstruct, repair or replace capital Improvements upon Association Properties, including personal property relating thereto; to add to the Association Properties; to provide for necessary facilities and equipment; to offer the services authorized in this Declaration; to correct any deficit or cost overrun; or to repay any loan made to the Association to enable it to perform the duties and functions authorized in this Declaration. Special Assessments shall be equally, uniformly imposed upon Lots as provided in Section 11.6. No Special Assessments shall be imposed on any Owner or Lot unless the Special Assessment has been ratified by the Owners in accordance with a procedure substantially identical to the procedure set forth in Section 11.5(a). At any time that insurance proceeds are insufficient to repair or reconstruct any damaged or destroyed Improvements on the Association Properties, or on any other property which the Association maintains, the Association may levy Special Assessments for the purpose of repair or reconstruction of such damaged or destroyed Improvements; all such Special Assessments shall be equal to the amount by which the cost of repair or reconstruction of Improvements exceeds the sum of insurance proceeds awarded for the damage or destruction, and shall be set in the same manner as other Special Assessments. The Association shall notify Owners in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable, and the Owners shall pay any such Special Assessment in the manner so specified.

Notwithstanding the preceding paragraph, the Association hereby levies a Special Assessment to be used as security for a revolving line of credit or draw note not to exceed \$850,000 with a bank or lending institution in good standing (the "Line of Credit"). The Special Assessment levied under this paragraph will be known as an "LOC Special Assessment." The Association will borrow from the Line of Credit only if the Association has insufficient funds to immediately pay for emergency infrastructure repairs that are due to an unplanned, unexpected catastrophic event, or that an infrastructure failure is imminent as determined by a qualified engineer. Because this Section 11.8 has been approved by at least sixty-seven percent of the voting power of the Association, the Association has obtained pre-authorization of the LOC Special Assessment and shall not be obligated to obtain, in accordance with Section 11.5 (a), the Owners' prior approval of the LOC Special Assessment that is used to secure the Line of Credit. Any amount borrowed under the Line of Credit shall be repaid together with interest in accordance with the terms of the Line of Credit. The LOC Special Assessment

shall be allocated to Owners in the same manner as other Special Assessments under the Declaration. The Board will have the right to determine the manner and frequency of payments made by Owners for an LOC Special Assessment. When determining the amount of the LOC Special Assessment to be paid by Owners, the Board shall take then-current Association fund reserves into account.

3. **Definitions.** Any capitalized term or word used in this Fourth Amendment that is not otherwise defined herein shall have the meaning set forth in the Declaration, unless the context requires otherwise.

IN WITNESS WHEREOF, the Association hereby certifies that Members holding at least 74 % of the voting power of the Association have approved this Fourth Amendment, effective this 6th day of JUNE, 2013.

Cedar Heights Community Association, Inc.
a Colorado nonprofit corporation

By: Ione E. E. Railton-Henneman
Ione E. E. Railton-Henneman, President

Attest: Jessica H. Gallagher
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 6th day of June, 2013, by Ione E. E. Railton-Henneman, as President of Cedar Heights Community Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 6-28-2016.

[Signature]
Notary Public



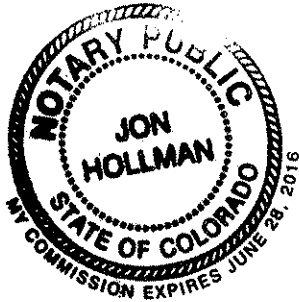
STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

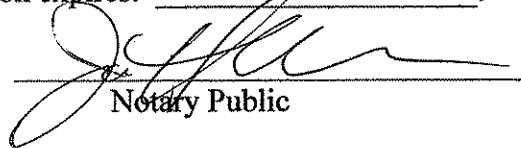
The foregoing instrument was acknowledged before me this 6th day of June, 2013, by Jessica K. Gallagher, as Secretary of Cedar Heights Community Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.

[SEAL]

My commission expires: 6-28-2016.




Notary Public