

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. **Existing Property.** The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to the Declaration is located in Grand County, Colorado and is more particularly described as

Lots 1 through 20 in Block 1 Filing No. 1

Lots 1 through 21 in Block 2 Filing No. 1

Lots 1 through 10 in Block 3 Filing No. 2

Lots 1 through 10 in Block 4 Filing No. 2

Lots 1 through 13 in Block 5 Filing No. 2

Lots 1 through 26 in Block 6 Filing No. 2

Lots 1 through 7 in Block 7 Filing No. 2

Lots 1 through 6 in Block 8 Filing No. 2

in accordance with the Plat thereof recorded in Grand County, Colorado, all of which real property shall hereinafter be referred to as "Existing Property." Tracts A - B - E -, Filing No. 1 - F and G may not be committed to residential use, but such tracts may be used for only those purposes as determined by the Board of Directors of the Association; and that Tract D is expressly excluded and is not subject to this Declaration of Covenants and Restrictions; Tract C is reserved for multi-family or single-family structures. Tract E, Filing No. 2 may be developed for up to 5 residential building sites of not less than 1 acre each.

Section 2. **Additions to Existing Property.** Additional lands may become subject to this Declaration in the following manner:

(a) **Additions in accordance with a General Plan of Development.** The Association shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development provided that such additions are in accord with a General Plan of Development.

Such General Plan of Development shall show the proposed additions to the Existing Property and contain: (1) a general indication of size and location of additional development stages and proposed land use in each; (2) the approximate size and location of Common Properties proposed for each filing; (3) the general nature of proposed common facilities and improvements; (4) a statement that the proposed additions, if made, will become subject to assessment for their just share of Association expenses. Unless otherwise stated therein, such General Plan shall not bind the Association to make the proposed additions.

The additions authorized under this and the succeeding sub-section shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the Existing Property.

(b) **Other Additions.** Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation, the Owner of any property who desires to add it to the scheme of this Declaration

and to subject it to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions, as described in subsection (a) hereof.

(c) **Mergers.** In the event of a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided.