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To: Game Trail Property Owners

Formation of Game Trail Property Owners' Association

Purpose

The Game Trail Declaration of Covenants provides that at an appropriate time Game Trail Company will form the property owners' association, Game Trail Association, Inc. This is to advise that the Association has now been formed as a non-profit corporation under the Colorado Nonprofit Corporation Act.

As stated in our previous announcement letter, no significant change will occur in the management and operation of the property, as Game Trail Company will in effect continue to manage it through the Association. The purpose of the Association is long term in nature to create a means of transferring the administration of Game Trail to the property owners in the future in a gradual, well planned way.

How It Works

As a part of the procedure, Game Trail Company is now in the process of transferring its ownership of the roads, water system, and all common areas within the platted filings (collectively called the "Common Property") to the Association which will own and manage them hereafter. Beginning this year it will be the Association which collects from the property owners their annual fees of \$200 for road maintenance and from homeowners \$200 for water service. The Association will likewise engage and pay the various maintenance contractors for their work performed. The Association will also collect an added fee for the Fire Protection System, as discussed in the separate report on that subject.



The Association will adjust the property owners' fees from time to time as needed to reflect cost increases, as Game Trail has done in the past. At this time the road maintenance and water service fees will remain the same, and Game Trail will pay the balance of the maintenance costs not covered by the fees.

Converting Fee Payments From Trailing Year to Coming Year

To obtain its funds to operate each year, the Association will collect its fee income from property owners each January for the coming year based on its budgeted estimate of its costs for the year. (All new lots are now being sold on that basis - fee payment in advance.) In the past Game Trail Company has allowed property owners to pay their fees retroactively at the end of the year, Game Trail in effect advancing those funds for the property owners.

Thus the conveyance of the roads and water system to the Association carries with it the obligation to Game Trail Company for the unpaid property owners' fees still due for calendar year 1994. To accommodate the property owners Game Trail has agreed to defer this obligation for another year and will allow property owners to pay their 1994 road and water service fees anytime between now and January 31, 1996.

In short, this means that each property owner will soon receive a statement from the Association for the 1995 fees, due in 30 days, and a statement from Game Trail Company for the 1994 fees which may be paid anytime before next January 31. Again, the amounts of the annual road and water system fees remain unchanged.

Organization of Game Trail Association, Inc.

Like other corporations, Game Trail Association, Inc. was created by the filing of its Articles of Incorporation and adopting its Bylaws. Any property owner wishing copies of these documents may obtain them by writing the Game Trail office.

Each property owner is automatically a Member of the Association and has one vote for each lot he owns. Every future lot buyer will automatically become a Member. An owner selling his lot, if the only lot he owns, will cease to be a Member. The annual meeting of Members will be held each September at which the Members will elect the Board of Directors which will run the Association.

During the early years of the Association Game Trail Company will have the right to appoint a controlling number of Directors, as follows.

- ◆ Initially the Board now consists of three Directors, William T. Morris, William H. Waldorf, and Richard C. Waldorf, all associated with Game Trail Company.
- ◆ By June 30, 1995 this Board will appoint a property owner to join the Board and to replace one of the above Directors.
- ◆ When Game Trail reaches the point of 270 lots sold, the total number of Directors will be increased from three to five, of whom two will be elected by the property owners. (To date 190 lots have been sold of the estimated eventual total of 450. We project annual sales of approximately 75 lots.)
- ◆ When 360 lots have been sold, voting control of the Association will be turned over to the property owners who will thereafter elect all of the five Directors.

The Board of Directors will elect the administrative officers - a President, Vice President, Treasurer, Secretary, etc. - and will appoint committees as needed, notably including the Architectural Control Committee. The Board will have the responsibility of administering the policy of the Association and overseeing its operation.

As provided in the Declaration of Covenants, Game Trail Company will have the right to annex to the Association future new plats within the present unplatted property including all Common Property (roads, water system, etc.) associated with the new plats.

We will be glad to answer any questions from owners, though we ask that you write us your questions so we may answer them in writing to avoid any misunderstanding that can occur in verbal communication.