

POLICY: GENESEE FOUNDATION PROPERTY ANNEXATION

Genesee is a premier community, well-planned, well-endowed, well financed and efficiently run. Covenants are carefully enforced; the Genesee Foundation Architectural Review Committee reviews all proposed building designs and modifications; amenities are operated and maintained professionally; strong general management prevails; and a fine spirit of volunteerism supports other attractive aspects of our community. It is the continuing responsibility of all Genesee Foundation Boards of Directors to insure that this remains so.

The financial position of the Genesee Foundation is sound as a result of its conservative management philosophy. Yearly revenues exceed \$1.5 million, with \$150,000- \$200,000 being allocated annually for capital improvements and capital replacement reserves. The current market value of the Foundation assets likely exceeds \$4,500,000.

Genesee's extensive amenities include three clubhouses, four tennis courts, two swimming pools plus a hot pool, one racquetball court, two tot lots, a sauna, weight room and 1,200 acres of open space and twelve miles of well-maintained hiking trails.

With full regard for Genesee's present quality and for the resulting fair expectations of continuing excellence held by the residents, any possible annexation of adjacent contiguous development will be examined with the utmost care. The Board will seek to foster the extension of the high quality of Genesee in adjacent development and to insure that any annexation enhances the community.

If you believe your property will complement and enhance Genesee, the attached Annexation Application Form should be completed and sent to the Genesee Foundation, 24425 West Currant Drive, Golden, Colorado 80401.

In addition to the many variables possible in annexation consideration, there are a number of requirements which are absolute:

1. A favorable vote of 2/3 of the membership of the Foundation is required by the Articles of Incorporation. This vote will be held after suitable community review by the Board and Genesee Foundation Manager and after full community orientation by the applicant and the Board.
2. Acceptance of control of the Genesee Architectural Review Committee of all development in any annexed area, and adherence to all covenants as stated in the Declaration of Covenants, with enforcement power vested in the Genesee Foundation.

3. All utilities and cable television lines must be underground. Street lights are not acceptable;
4. The building density and proportion of dedicated Open Space area must closely approximate those currently observed in Genesee, thus insuring visual compatibility with this community;
5. The Application Fee is non-refundable and separate from any Annexation Fee to be charged if the application is approved. If during the application process there is an unused portion of the deposit, the unused portion may be credited to the Annexation Fee if approved by the Genesee Foundation Board;
6. For any Annexation Application, the applicant will pay all professional and attorneys' fees and any other associated Foundation expenses incurred by the Genesee Foundation in connection with its review of the application.
7. An application which proposes an additional vehicular access from outside the community will be rejected unless there are unusual mitigating circumstances; and
8. In the semi-arid conditions of the foothills, adequate water and fire protection are of paramount importance, transcending community boundaries. It is generally expected that any annexations into this Foundation will also need to include annexations into the Genesee Water and Sanitation District and the Genesee Fire Protection District before final annexation into the Foundation can be accomplished. Therefore, in order to protect the welfare of present Genesee residents, any application lacking satisfactory arrangements for water and fire protection will be rejected.

If you have any questions with regard to this policy or the attached Annexation

Application Forms, please feel free to call the Genesee Foundation Community

Manager (303)526-0284.

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| APPROVED BY: | Board of Directors |
| SUPERCEDES: | November 19, 1991 |
| APPLICABILITY: | All Annexations |
| APPROVAL DATE: | January 11, 2006 |
| REAPPROVAL DATE/CHANGES | February 11, 2009 |
| EFFECTIVE DATE: | January 11, 2006 |
| REVIEW DATE | 2012 (3 YEARS) |

