

This Amended and Restated Condominium Declaration for Dillon Valley East Condominium Association is current as of October 20, 2021. This document is the final draft, for homeowner approval. The Association reserves the right to correct technical, typographical, or scrivener's errors in this document before recording.

AMENDED AND RESTATED
CONDOMINIUM DECLARATION
FOR
DILLON VALLEY EAST CONDOMINIUM
ASSOCIATION

Table of Contents

RECITALS 1

ARTICLE I. DECLARATION AND SUBMISSION..... 1

 Section 1.1 Declaration..... 1

ARTICLE II. DEFINITIONS 2

 Section 2.1 “Agency” 2

 Section 2.2 “Allocated Interests” 2

 Section 2.3 “Articles” 2

 Section 2.4 “Annual Assessment” 3

 Section 2.5 “Assessments” 3

 Section 2.6 “Association” 3

 Section 2.7 “Association Documents” 3

 Section 2.8 “Board” or “Board of Directors” 3

 Section 2.9 “Building” 3

 Section 2.10 “Bylaws” 3

 Section 2.11 “Clerk and Recorder” 3

 Section 2.12 “Common Element” 3

 Section 2.13 “Common Expenses” 4

 Section 2.14 “County” 5

 Section 2.15 “Declaration” 5

 Section 2.16 “Director” 5

 Section 2.17 “First Mortgage” 5

 Section 2.18 “First Mortgagee” 5

 Section 2.19 “Good Standing” 5

 Section 2.20 “Improvement” 5

 Section 2.21 “Manager” or “Managing Agent” 5

 Section 2.22 “Map” 5

 Section 2.23 “Member” 5

 Section 2.24 “Mortgage” 5

 Section 2.25 “Mortgagee” 6

 Section 2.26 “Owner” 6

 Section 2.27 “Permitted User” 6

 Section 2.28 “Project” 6

 Section 2.29 “Property” 6

 Section 2.30 “Rules” 6

 Section 2.31 “Unit” 6

ARTICLE III. NAME, DIVISION INTO UNITS 7

 Section 3.1 Name..... 7

 Section 3.2 Association. 7

 Section 3.3 Number of Units. 7

 Section 3.4 Identification of Units..... 7

 Section 3.5 Description of Units..... 7

 Section 3.6 Separate Parcels and Taxation..... 7

ARTICLE IV. RESTRICTIONS ON USE OF UNITS..... 8

 Section 4.1 Use and Occupancy Regulation, General..... 8

 Section 4.2 Use of Common Elements..... 8

Section 4.3	Right to Adopt Rules Regulating Units and Common Elements.	9
Section 4.4	Residential Use of Units.	9
Section 4.5	Rental Restrictions.	9
Section 4.6	Unlawful Activity.	10
Section 4.7	Nuisances.	10
Section 4.8	Insurance Rates.	10
Section 4.9	Pets.	10
Section 4.10	Parking and Vehicles.	10
Section 4.11	Signs.	11
Section 4.12	Trash.	11
Section 4.13	Sanitation.	11
Section 4.14	Antennae.	11
Section 4.15	Neighbor-to-Neighbor Dispute.	11
Section 4.16	No Partition, Subdivision, or Combination.	12
Section 4.17	Structural Alterations.	12
Section 4.18	Construction and Remodeling.	12
Section 4.19	Landscaping.	12
ARTICLE V.	MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS...	12
Section 5.1	The Association.	12
Section 5.2	Transfer of Membership.	12
Section 5.3	Membership; Voting Rights.	13
Section 5.4	Board of Directors.	13
Section 5.5	Books and Records.	13
Section 5.6	Manager.	13
ARTICLE VI.	DUTIES AND POWERS OF THE ASSOCIATION AND BOARD.....	13
Section 6.1	Duties and Powers of the Association.	13
Section 6.2	Powers of the Board.	17
Section 6.3	Limitation on Liability.....	17
ARTICLE VII.	MECHANIC’S LIENS	18
Section 7.1	No Liability.....	18
Section 7.2	Indemnification.....	18
Section 7.3	Association Action.	18
ARTICLE VIII.	EASEMENTS.....	18
Section 8.1	Recorded Easements.....	18
Section 8.2	Utility Easements.....	18
Section 8.3	Reservation of Easements, Exceptions and Exclusions.....	19
Section 8.4	Emergency Access.....	19
Section 8.5	Maintenance and Repair Access.....	19
Section 8.6	Support Easement.	19
Section 8.7	Easement for Encroachments.	19
ARTICLE IX.	MAINTENANCE	20
Section 9.1	Maintenance by Owners.	20
Section 9.2	Owner’s Failure to Maintain or Repair.....	21
Section 9.3	Maintenance by Association.....	21
Section 9.4	Association Maintenance as Common Expense.....	21
Section 9.5	No Other Alterations to Common Elements.....	21

ARTICLE X.	INSURANCE	22
Section 10.1	General Insurance Provisions.	22
Section 10.2	Certificates of Insurance; Cancellation.....	23
Section 10.3	Insurance Proceeds.	24
Section 10.4	Repair and Replacement.....	24
Section 10.5	Fidelity Insurance.	24
Section 10.6	Workers' Compensation Insurance.	25
Section 10.7	Directors and Officers Liability Insurance.	25
Section 10.8	Other Insurance.....	25
Section 10.9	Common Expenses.	25
Section 10.10	Policies Regarding Claims and Deductibles.	25
ARTICLE XI.	ASSESSMENTS	26
Section 11.1	Obligation.	26
Section 11.2	Budget.....	26
Section 11.3	Budget Consideration.	26
Section 11.4	Annual Assessments.	27
Section 11.5	Date of Commencement of Annual Assessments.....	27
Section 11.6	Special Assessments.	27
Section 11.7	Default Assessments.....	27
Section 11.8	Working Capital Fees.	28
Section 11.9	Effect of Nonpayment: Assessment Lien.	28
Section 11.10	Payment by Mortgagee.....	29
Section 11.11	Statement of Status of Assessment Payment.....	29
Section 11.12	Maintenance Accounts: Accounting.	29
ARTICLE XII.	DAMAGE OR DESTRUCTION	30
Section 12.1	The Role of the Executive Board.	30
Section 12.2	Estimate of Damages or Destruction.	30
Section 12.3	Repair and Reconstruction.....	30
Section 12.4	Funds for Repair and Reconstruction.	30
Section 12.5	Disbursement of Funds for Repair and Reconstruction.....	30
ARTICLE XIII.	CONDEMNATION	31
Section 13.1	Rights of Owners.	31
Section 13.2	Partial Condemnation; Distribution of Award: Reconstruction.	31
Section 13.3	Complete Condemnation.	31
ARTICLE XIV.	ASSOCIATION AS ATTORNEY-IN-FACT	31
ARTICLE XV.	ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO COMMON ELEMENTS	32
Section 15.1	Alterations, Additions or Improvements to Common Elements.	32
Section 15.2	Governmental Approval.	32
Section 15.3	Architectural Review Committee.	33
Section 15.4	Association Right to Remove Unauthorized Alterations, Additions, or Improvements.	33
ARTICLE XVI.	MORTGAGEE'S RIGHTS.....	33
Section 16.1	Title Taken by First Mortgagee.	33
Section 16.2	Distribution of Insurance or Condemnation Proceeds.....	33
Section 16.3	Right to Pay Taxes and Charges.....	33

Section 16.4	Audited Financial Statement.	33
Section 16.5	Notice of Action.	34
Section 16.6	Action by Mortgagee.	34
Section 16.7	Junior Mortgages.	34
ARTICLE XVII.	DURATION OF COVENANTS AND AMENDMENT.....	34
Section 17.1	Term.....	34
Section 17.2	Amendment.	35
Section 17.3	Amendment for Certain Actions.....	35
Section 17.4	Execution of Amendment.....	36
ARTICLE XVIII.	LIMIT ON TIMESHARING.....	36
ARTICLE XIX.	GENERAL PROVISIONS.....	37
Section 19.1	Notice.....	37
Section 19.2	Enforcement.....	37
Section 19.3	Severability.....	37
Section 19.4	Conflicts Between Documents.	37
EXHIBIT A.....		39
EXHIBIT B.....		41

AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR
DILLON VALLEY EAST CONDOMINIUM ASSOCIATION

THIS AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR DILLON VALLEY EAST CONDOMINIUM ASSOCIATION (the "Declaration") is made as of the date executed below and is effective as of recording.

RECITALS

A. Dillon Valley East Condominium Association was formed by the "Declarant," K.C. Ensor, as a condominium community by the recording of the Condominium Declaration for Dillon Valley East Condominium (the "Original Declaration") on April 23, 1971 at Reception No. 120218, in the records of the Clerk and Recorder of Summit County, Colorado.

B. Owners of Units within Dillon Valley East Condominium Association (the "Association") desire to amend and restate the Original Declaration to: (1) modernize the Association's governing documents; (2) remove provisions inconsistent with Colorado's Common Interest Ownership Act, C.R.S. §§ 38-33.3-101, *et seq.*, as the same may be amended from time to time; (3) eliminate obsolete references to the "Declarant" and rights associated with the Declarant; and (4) clarify maintenance and insurance obligations.

C. Pursuant to Section 20 of the Original Declaration and with exceptions not relevant to his Declaration, any provision of the Declaration may be amended upon the consent and agreement of owners representing an aggregate ownership interest of sixty percent (60%) or more of the General Common Elements, and all of the holders of any recorded mortgage or deed of trust.

D. Owners representing at least sixty percent (60%) of the aggregate ownership interest of the General Common Elements and all the holders of recorded mortgages or deeds of trust have consented to and desire to amend and restate the Original Declaration in its entirety, in accordance with the terms and conditions of the Declaration, or in the alternative, the Association has obtained approval of this Declaration pursuant to C.R.S. § 38-33.3-217(7).

E. This Declaration does not change the votes in the Association, allocation of common expense liability and common element ownership interest, number of Units, or Unit boundaries as set forth in the Original Declaration, nor does it create or increase special declarant rights as such term is defined by C.R.S. § 38-33.3-103(29).

ARTICLE I.
DECLARATION AND SUBMISSION

Section 1.1 Declaration. The Property described in Exhibit A shall be held, sold, and conveyed subject to the following covenants, restrictions, and easements which shall run with the land and be binding on all parties and the heirs, successors, and assigns of parties having any

right, title, or interest in all or any part of the Property. This Declaration shall supersede in their entirety the Original Declaration and all amendments or supplements thereto; provided that, no easement created by the Original Declaration is vacated or eliminated by the adoption of this Declaration unless expressly specified in this Declaration. It is the intent that this Declaration shall be the only condominium declaration governing the Property unless and until it is amended pursuant to the provisions herein.

ARTICLE II. DEFINITIONS

Words used in this Declaration in the singular also include the plural, and when used in the feminine also include the masculine. Each capitalized term not otherwise defined in this Declaration or in the Map has the same meanings specified or used in Colorado's Common Interest Ownership Act ("CCIOA"). When used in this Declaration, the following words have the following meanings:

Section 2.1 "Agency" means any agency or corporation such as Housing and Urban Development (HUD), Department of Veteran's Affairs ("VA"), Federal National Mortgage Association ("Fannie Mae") or Federal Home Loan Mortgage Corporation ("Freddie Mac"), or any similar entity or agency that purchases, underwrites, insures or guarantees residential mortgages.

Section 2.2 "Allocated Interests" are the undivided interest in the Assessments and votes in the Association allocated to each Unit as set forth in Exhibit B attached hereto, together with the percentage share of Common Expenses and the percentage share of Common Element ownership.

2.2.1 Percentage Share of Common Expenses: Subject to the Board's right to assess expenses to individual Units as provided in this Declaration, the allocated interests in a Unit's share of the Common Expenses is set forth in Exhibit B. Notwithstanding the foregoing, assessments and other expenses attributable to any Unit owned by the Association shall be Common Expenses of the Association and allocated to the remaining Owners in accordance with their percentage share of Common Expenses calculated as if such Unit was not included in the calculation of percentage share of Common Expenses.

2.2.2 Percentage Share of Ownership of Common Elements: Each Owner's percentage share of ownership of Common Elements is set forth in Exhibit B.

2.2.3 Voting: The Owners of each Unit shall be entitled to vote in the affairs of the Association for each Unit owned in accordance with the percentages specified in Exhibit B. No Owner shall be entitled to vote in any matter who is not in Good Standing with the Association. All Owners in Good Standing shall be entitled to vote in accordance with the provisions of this Declaration.

Section 2.3 "Articles" means the Articles of Incorporation of Dillon Valley East Condominium Association, a Colorado nonprofit corporation and any amendments all as filed

with the Colorado Secretary of State.

Section 2.4 “Annual Assessment” means the Assessment levied pursuant to an annual budget.

Section 2.5 “Assessments” means the Annual, Special, and Default Assessments levied pursuant to Article 11 below. Assessments are also referred to as a common expense liability as defined by CCIOA.

Section 2.6 “Association” means Dillon Valley East Condominium Association, a Colorado nonprofit corporation, and its successors and assigns.

Section 2.7 “Association Documents” means this Declaration, the Articles of Incorporation, the Bylaws, the Map, and Rules, as they may be amended from time to time.

Section 2.8 “Board” or “Board of Directors” means the governing body of the Association. The Board was known by the term “Board of Managers” in the Association’s original governing documents, and any reference to the “Board of Managers” in any Association Document is deemed a reference to the Board of Directors. Board of Directors has the same meaning as “Executive Board” as that term is used in CCIOA.

Section 2.9 “Building” means a single building containing Units as shown on the Map.

Section 2.10 “Bylaws” means the Bylaws adopted by the Association, as amended from time to time.

Section 2.11 “Clerk and Recorder” means the office of the Clerk and Recorder in Summit County, Colorado.

Section 2.12 “Common Element” means all portions of the Project except the Units. The Common Elements are owned by the Owners in undivided interests according to the Allocated Interests set forth in Exhibit B and comprise General Common Elements and Limited Common Elements.

2.12.1 “General Common Elements” are all tangible physical properties of the Project and real property for which the Association has an obligation to maintain, except Limited Common Elements and the Units, and without limiting the foregoing, specifically includes all parts of the structures or any facilities, improvements, and fixtures which may be within a Unit which are or may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair, or safety of the structures or any part thereof or any other Unit. The General Common Elements include, without limitation, the following:

a. all of the land described in Exhibit A, and landscaping, grass, shrubbery, trees, plants, gardens, and related improvements, parking and storage lots, and including any landscaped areas within dedicated rights-of-way required by Summit County to be maintained by Owners of the Project;

- b. all foundations, columns, girders, beams, and supports of the Buildings;
- c. Building exterior walls, main or bearing walls, roofs, and all portions of the walls, floors or ceilings in a Building that are not part of the Unit as described in Section 2.231 below;
- d. any unassigned balconies, yards, sidewalks, walkways, parking areas, roads, driveways, paths, and related facilities on the Property;
- e. except as otherwise specifically provided herein, all utility service and maintenance rooms, fixtures, apparatus, equipment, installations, and facilities for power, light, gas, telephone, television, boilers, hot water, cold water, heating, or similar utility service or maintenance purposes, including furnaces, pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and in general, all apparatus, installations, and facilities, which serve more than one Unit;
- f. all tennis courts, basketball courts, sheds, clubhouse facilities, and any other structures in the Project that are not Buildings; and
- g. in general, all other parts of the Project necessary in common use or convenient to its existence, maintenance, and safety.

2.12.2 “Limited Common Elements” means those parts of the Common Elements which are either limited to or reserved in this Declaration, the Map, or by action of the Association, for the exclusive use of an Owner or are limited to and reserved for the common use of more than one but fewer than all Owners. Without limiting the foregoing, any portion of a chute, flue, chimney, duct, pipe, drain, wire, conduit, bearing wall, bearing column, or other fixture which lies completely or partially within and/or completely or partially outside the designated boundaries of a Unit which serves that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the General Common Elements is a Limited Common Element allocated to the Units served. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, decks, patios, terraces, fireplace flues accessible from the interior of a Unit, and all exterior doors and windows, or other fixtures designed to serve a single Unit, but located outside the Unit’s boundaries, are Limited Common Elements allocated exclusively to that Unit. Enclosure of a patio, terrace, or other Limited Common Element does not render that component a part of the Unit. Without limiting the foregoing, the Limited Common Elements shall include parking spaces that may be designated as Limited Common Elements on the Map, or which are assigned or appurtenant to a particular Unit, and utility, heating, air conditioning and domestic hot water equipment located outside of a Unit but serving a Unit to the exclusion of other Units. The horizontal boundaries of porches, balconies, decks, patios, and terraces shall be the same as the interior horizontal boundaries of the Units to which such Limited Common Elements are appurtenant, unless the Map specifically defines other horizontal boundaries.

Section 2.13 “Common Expenses” means expenditures made or liabilities incurred by

or on behalf of the Association, together with allocations to reserves, including but not limited to: (i) all expenses expressly declared to be common expenses by this Declaration or the Bylaws; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing, or replacing the Common Elements; (iii) insurance premiums for the insurance carried under Article X; and (iv) all expenses lawfully determined to be Common Expenses by the Board of Directors.

Section 2.14 “County” means the County of Summit, Colorado.

Section 2.15 “Declaration” means this Declaration and the Map, and amendments and supplements thereto.

Section 2.16 “Director” means a member of the Association’s Board of Directors.

Section 2.17 “First Mortgage” means a Mortgage, the priority of which is not subject to any monetary lien or encumbrance except liens for taxes or other liens that are given priority by statute.

Section 2.18 “First Mortgagee” means any person named as a Mortgagee in any First Mortgage, or any successor to the interest of any such person under such Mortgage as shown in the records of the County.

Section 2.19 “Good Standing” means that an Owner is no more than thirty (30) days late in the payment of any Assessments, and who is in compliance with the terms of the Association Documents, and who has none of his, her or its membership privileges suspended.

Section 2.20 “Improvement” means a modification or addition to real property, whether permanent or not, and regardless of whether the Improvement adds value to the real property.

Section 2.21 “Manager” or “Managing Agent” means a person or entity engaged by the Association to perform certain duties, powers, or functions of the Association, as the Board may authorize from time to time.

Section 2.22 “Map” means the Condominium map of the Project recorded with the Clerk and Recorder, depicting a plan and elevation of all or a part of the Property subject to this Declaration and any supplements and amendments thereto. The Map is incorporated herein by reference as if set forth in its entirety.

Section 2.23 “Member” means all Owners of a Unit collectively, whether a person or entity, or, following termination of the Project, all former Owners entitled to distributions of proceeds under CCIOA, their heirs, personal representatives, successors and assigns. The Owners of each Unit shall hold membership in the Association. As used in this Declaration, Member and Owner are interchangeable.

Section 2.24 “Mortgage” means any mortgage, deed of trust, or other document

pledging any Unit or interest therein as security for payment of a debt or obligation.

Section 2.25 “Mortgagee” means any person named as a mortgagee or beneficiary in any Mortgage or any successor to the interest of any such person under such Mortgage.

Section 2.26 “Owner” means the owner of record, whether one or more persons or entities, of fee simple title to any Unit, and “Owner” also includes the purchaser under a contract for deed covering a Unit with a current right of possession and interest in the Unit.

Section 2.27 “Permitted User” means: (a) any person who resides with an Owner within the Project; (b) a guest, invitee, employee, licensee, or tenant of an Owner; or (c) a guest, invitee, employee, or licensee of the Owner’s tenant.”

Section 2.28 “Project” means the common interest community created by this Declaration and as shown on the Map consisting of the Property, the Units, and the Common Elements.

Section 2.29 “Property” means the real property subject to this Declaration as described in Exhibit A.

Section 2.30 “Rules” means rules, regulations, procedures, policies, and guidelines, however denominated, adopted, amended, or repealed by the Board from time to time for the regulation and management of the Project, including the Common Elements and the Units.

Section 2.31 “Unit” means the fee simple interest and title in and to an individual airspace which is contained within the perimeter windows, doors, and unfinished surfaces of perimeter walls, floors, and ceilings, together with the appurtenant interest in the Common Elements. All spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the interior finished surfaces thereof are a part of the Units, except as expressly stated to be part of the General Common Elements defined above. The boundaries of the Unit are depicted on the Map. The Unit includes any stoves, heating and refrigerating elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes and all other related equipment required to provide heating, air conditioning, hot and cold water, electrical, or other utility services to the Unit and located within the unfinished walls, ceilings, and floors. For purposes of this definition of Unit, the terms set forth below shall have the meanings ascribed:

2.31.1 “Unfinished Perimeter Wall” means the studs, supports, and other wooden, metal or similar structural materials that constitute the interior face of a wall of a Unit, but not including any lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, or other materials.

2.31.2 “Unfinished Ceiling” means the beams, joists, and wooden or other structural materials that constitute the ceiling of a Unit, but not including any lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, or other materials.

2.31.3 “Unfinished Floor” means the beams, floor joists, floor deck material, and concrete that constitute the floor of a Unit, but not including any finished flooring or other materials.

ARTICLE III.
NAME, DIVISION INTO UNITS

Section 3.1 Name. The name of the Project is Dillon Valley East Condominium. The Project is a Condominium pursuant to the Colorado Condominium Ownership Act (“Act”), and is subject to certain statutory provisions of the Colorado Common Interest Ownership Act (“CCIOA”) and the Colorado Revised Nonprofit Corporation Act (“Nonprofit Act”). References herein to CCIOA shall be deemed to mean those provisions of CCIOA that, by its provisions, apply to condominium communities that were formed before July 1, 1992, but not otherwise. By adoption of this Declaration, the Association is not electing to be treated as a common interest community under the provisions of CCIOA.

Section 3.2 Association. The name of the Association is Dillon Valley East Condominium Association.

Section 3.3 Number of Units. The number of Units in the Project is 404. Each Unit is depicted on the Map.

Section 3.4 Identification of Units. The identification number of each Unit is described on the Map.

Section 3.5 Description of Units.

3.5.1 Each Unit, the appurtenant interest in the Common Elements and the appurtenant use of Limited Common Elements, shall comprise one Unit, and shall be inseparable and may be transferred, leased, devised or encumbered only as one Unit. Any attempted transfer of the appurtenant interest in the Common Elements or Limited Common Elements is void unless the Unit to which that interest is allocated is also transferred.

3.5.2 Any contract of sale, deed, lease, Mortgage, will, or other instrument affecting a Unit may describe it by its Unit number and Building designation, at Dillon Valley East Condominium, County of Summit, State of Colorado, according to the Condominium Map describing the date and reception number of recording of the Map and Declaration, as they may be amended from time to time.

Section 3.6 Separate Parcels and Taxation. Each Unit is a separate parcel and is subject to separate assessment and taxation for all types of taxes authorized by law, including ad valorem levies and special assessments. No part of the Project other than Units is a parcel. The lien for taxes assessed to any Unit is confined to such Unit. No forfeiture or sale of any Unit for delinquent taxes, assessments, or other governmental charges shall divest or in any other way

affect the title to any other Unit or the Common Elements.

ARTICLE IV.
RESTRICTIONS ON USE OF UNITS

Section 4.1 Use and Occupancy Regulation, General. All Units shall be held, conveyed, used, improved, occupied, owned, resided upon, and secured subject to the following provisions, conditions, limitations, restrictions, agreements, and covenants, as well as those contained elsewhere in this Declaration. These restrictions are general in nature and the Board shall have the power to adopt, amend, repeal and enforce more specific and restrictive Rules as the Board deems to be reasonable and necessary to carry out the intent of this Declaration.

Section 4.2 Use of Common Elements. Owner's right to use the Common Elements are subject to the power of the Association to close or limit access to the Common Elements for maintenance, repair, replacement, renovation, or otherwise as may be decided by the Board from time to time in the exercise of its good faith reasonable business judgment.

Section 4.2.1 Limited Common Elements. Subject hereto, each Owner and Permitted User has the exclusive right to use the Limited Common Elements appurtenant to the Owner's Unit and, with respect to Limited Common Elements appurtenant to more than one Unit, the joint right to such use with the Owners of other Units to which the same are also appurtenant.

Section 4.2.2 General Common Elements. Each Owner and Permitted User has the right to use the General Common Elements in accordance with the purpose for which any such elements are intended without hindering or encroaching upon the reasonable and lawful rights of the other Owners. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on or in any part of the Common Elements without the Association's prior written approval. Nothing shall be altered on, constructed in, or removed from the Common Elements without the Association's written consent, and no adverse possession against the Common Elements may be claimed by any Owner. The Association, acting by and through the Board of Directors, is solely charged with determination of what improvements may be constructed upon or removed from the Common Elements. In the event the Association holds title to a Unit not as a result of foreclosure, such Unit shall be a portion of the General Common Elements and regulated by the Association. No votes may be cast with respect to any Unit owned by the Association.

Section 4.2.3 Rights of Ingress and Egress. Each Owner and Permitted User has a right and easement of ingress and egress over, across, and upon the Property and upon the General Common Elements to go to and from the Property, the Unit, any other General Common Elements, and the public ways for both pedestrians and vehicular travel, which right and easement is appurtenant to and shall pass with the transfer of title to the Owner's Unit; provided, however, that such right and easement shall be subject to the terms of this Declaration and the right of the Board to adopt, from time to time, Rules concerning the Common Elements as it may determine to be necessary or prudent. The

Association has the right to close or limit access to Common Elements in connection with its repair, replacement, and maintenance obligations set forth in this Declaration.

Section 4.3 Right to Adopt Rules Regulating Units and Common Elements. Each Owner and Permitted User may use the Limited Common Elements allocated to his or her Unit and the Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Board may adopt Rules regulating the use of the Units and the Common Elements, but may not create new use restrictions by Rule. Each Owner and Permitted User, by the Owner's acceptance of a deed or other instrument of conveyance or assignment to his or her Unit, agrees to be bound by any such Rules.

Section 4.4 Residential Use of Units. Each Unit shall be used and occupied only as a residence, operating on a nonprofit, noncommercial basis, and for home operated businesses, so long as such business:

- (a) Is allowed by zoning resolutions;
- (b) Is not apparent or detectable by sight, sound, smell, or vibration from the exterior of the Unit;
- (c) Does not increase traffic or parking requirements within the Project; and,
- (d) Does not increase the insurance obligations or premiums of the Association.

In addition, any Manager hired by the Association may conduct management and administrative activities for the Association from within one or more Units. Leasing of Units, subject to the provisions of Section 4.5, is a residential use so long as the tenants reside in the Unit. To the extent any Unit is used to operate a family child care home as permitted by CCIOA, the Unit Owner or operator of the family child care home shall carry liability and property insurance at levels determined by the Executive Board, which insurance shall name the Association as an additional insured and be primary to any insurance the Association carries.

Section 4.5 Rental Restrictions. "Lease" means any agreement or arrangement for occupancy of the Unit by persons other than the Owner or an immediate family member, spouse, child, or parent of the Owner or affiliate of an Owner, without the concurrent occupancy by the Owner or an immediate family member, spouse, child, or parent of the Owner or affiliate of an Owner. "Affiliate of an Owner" means any person who controls, or is controlled by, or is under common control with an Owner, or is the beneficiary of a trust that is the Owner. Subject to the remaining provisions of this Section 4.5, an Owner may lease his Unit upon such terms and conditions as the Owner deems advisable; provided, however, without otherwise obtaining written consent from the Board, that:

- (a) All leases shall be in writing and shall provide that the lease is subject to the terms of the Association Documents and a copy of the Rules are provided to the lessee with the lease;
- (b) A Unit may be leased only for the uses permitted herein; and,

(c) A lessee's failure to comply with the terms of this Declaration or any other Association Documents shall be a default under the lease enforceable by the Association as a third-party beneficiary, whether or not the lease contains such a provision.

Section 4.6 Unlawful Activity. No offensive or unlawful use may be made of the Property. Owners and Permitted Users shall comply with and conform to all applicable laws and regulations of the United States, the State of Colorado, and all other governmental ordinances, rules, and regulations. No Unit shall be used for any purpose not in compliance with any local, state, or federal law, statute, or other ordinance, rule, or regulation. No portion of the Property may be used for the manufacture, storage, or disposal of hazardous materials other than in reasonable quantities typically used for purposes of residential cleaning, maintenance, and repair.

Section 4.7 Nuisances. Except as expressly permitted by this Declaration, no noxious, offensive, dangerous, or unsafe activity shall be conducted in or on any Unit or the Common Elements, nor shall anything be done, either willfully or negligently, which may be or become an unreasonable annoyance or legal nuisance to the other Owners or Permitted Users. No Owner or Permitted User shall make or permit any disturbing noises nor do or permit any nuisance or anything to be done by others that will unreasonably interfere with the rights, comforts, or convenience of other Owners or Permitted Users. No lights shall be emitted from any Unit that are unreasonably bright or cause unreasonable glare. Offensive odors that emanate from within a Unit and are detectable in other Units or the Common Elements are a nuisance. Determination of whether an activity violates this covenant shall be made by the Board or a committee appointed by the Board, and shall be subject to Rules adopted by the Board.

Section 4.8 Insurance Rates. Except as may be approved in writing by the Board, nothing shall be done or kept that may result in a material increase in the rates of insurance or would result in the cancellation of any insurance maintained by the Association.

Section 4.9 Pets. The Board has the authority to adopt Rules that regulate the conduct of the residents and their household pets or other household animals. These Rules may include, but are not limited to, the following: (a) the type of animals which may be kept in a Unit; (b) whether and to what extent the animals shall be permitted on or to utilize the Common Elements; (c) the responsibility for supervision of household animals; (d) the responsibility for litter, waste, mess, or damage created by their household animals; (e) the responsibility to address any offensive or prolonged noises created by household animals; (f) the requirement to keep dogs and other specified animals on a leash while on the Property and outside of their Units; (g) the responsibility of Owners to pay for any damage caused by their household animals; (h) the right of the Association to levy a fine and/or require removal of household animals from the Project for failure to comply with the Rules; and, (i) the responsibility of Owners to pay any costs incurred by the Association in connection with the enforcement of the Rules and the Association's right to classify any fines levied as a result of a violation of the Rules outlined in this Section as a Default Assessment and to pursue collection and enforcement of such Default Assessment as provided in this Declaration.

Section 4.10 Parking and Vehicles. Parking areas are subject to the Association's

absolute control; provided, however, that a Unit Owner or Permitted User shall be entitled to the use of not more than two parking spaces located within reasonable proximity to his Unit, subject to the Association's Rules and power to close or limit access to Common Elements at times. The Board may designate permitted parking areas and assigned parking spaces by Rule or with signs in the community. Parking spaces are restricted to use as access and as parking spaces for vehicles. The Board has the authority to assign, license, or otherwise regulate parking spaces that are not previously allocated by the adoption of Rules or further, to allocate parking spaces as may be necessary to clarify ambiguities or comply with applicable law. The Association may require removal of oversized, commercial-type, inoperable, or other vehicles and trucks if it determines that the same interferes with reasonable automobile parking for Owners or Permitted Users, and may designate permitted and non-permitted vehicles and parking by Rule. Snow removal, garden, or maintenance equipment shall not be kept on the Property without the Association's written approval, except when in actual use. The Board has the right to tow, remove, or store a vehicle or equipment in violation of this Section at the expense of the vehicle owner. Any expense incurred by the Association shall be levied against the Owner of the Unit associated with the vehicle or equipment as a Default Assessment.

Section 4.11 Signs. . The Association may adopt Rules regulating signs to the extent permitted by Colorado law.

Section 4.12 Trash. No trash, ashes, or other refuse or debris may be thrown or dumped on the Property. No burning is permitted. All trash, garbage, compost, recycling, or other refuse shall be kept in containers provided for such purpose in the area designated for such purpose. The Association shall provide for regular trash removal as a Common Expense. The Board may require any Owner to arrange and pay for trash removal of excessive amounts of trash, garbage, or other refuse. Electronic items or hazardous materials may not be disposed of in the Association's dumpsters. The Owner of any Unit shall keep the Property and their Unit free of unreasonable accumulation of trash, refuse, or debris of any kind, whether the Unit is vacant or occupied.

Section 4.13 Sanitation. Each Unit, at all times, shall be kept in a clean, sanitary, sightly, and attractive condition and in a state of good repair.

Section 4.14 Antennae. The Association may adopt Rules regarding location and installation of permitted antennas, subject to limitations of applicable federal law. Except as allowed by federal statutes and regulations, or the Association's Rules and Regulations, no exterior television or any other antennae, microwave dish, satellite dish, or similar device of any type shall be erected, installed, or maintained on the Common Elements (including Limited Common Elements) without the prior written approval of the Association.

Section 4.15 Neighbor-to-Neighbor Dispute. The Association shall not be obligated to take enforcement action when a dispute under the Declaration or Rules is solely a dispute between neighbors involving an alleged nuisance or offensive behavior, not involving the Common Elements, and not involving a violation of the Association's architectural or maintenance standards. In any dispute between neighbors, residents must first work in good faith with each other to resolve their differences before the complaining Owner reports an

alleged violation of the governing documents to the Association. An Owner's complaint to the Association about a neighbor must: (a) be in writing; (b) give as much detail as possible concerning the dispute; (c) provide specific information about what informal efforts to resolve the matter were undertaken by the complaining resident; and, (d) provide the name, address, phone number(s), and email address of the complaining party.

Section 4.16 No Partition, Subdivision, or Combination. No portion of the Project shall be subject to an action for partition or division, provided that this covenant does not prohibit partition of the entire Unit between two or more co-Owners, as long as such partition does not seek to separate any portion of the Common Elements from any Unit. No Units shall be subdivided, resubdivided, or combined without the express written consent of the Board, which consent may be granted, withheld, or conditioned in the Board's sole and absolute discretion. Any request to combine Units shall comply with the provisions of C.R.S. § 38-33.3-212.

Section 4.17 Structural Alterations. No structural alteration to any Unit or any Common Element shall be done by any Owner without the Association's prior written approval. No fences, walls, or other barriers shall be permitted on or in the Property except with the Association's written consent. Notwithstanding this restriction, walls or boundaries between adjoining Units may be altered with the Association's prior written approval and in compliance with C.R.S. §§ 38-33.3-211 and 212.

Section 4.18 Construction and Remodeling. Each Owner shall have the exclusive right to paint, tile, wax, paper, or otherwise decorate or redecorate his Unit, and each Unit Owner shall have the duty to maintain and repair the interior surfaces of the walls, floors, ceilings, and doors forming the boundaries of the Owner's Unit and all walls, floors, ceilings, and doors within such boundaries, regardless of the cause of damage, excluding matters that are covered by insurance. The Association has the power to adopt Rules governing interior construction and remodeling, provided such Rules are reasonably tied to the impact that interior construction and remodeling may have on other residents (by way of example and not limitation, Rules governing the installation of hard surface flooring and sound deadening materials). All construction or remodeling shall be prosecuted diligently to completion.

Section 4.19 Landscaping. Except in individual yard and balcony areas, no planting or gardening shall be done, and no fences, hedges, or walls shall be erected or maintained upon the Property except such as are installed in accordance with the initial construction of the Buildings or as approved in writing by the Association.

ARTICLE V.

MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 5.1 The Association. Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit.

Section 5.2 Transfer of Membership. An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Unit

and then only to the purchaser or Mortgagee of his Unit. The Association shall not create a right of first refusal on any Unit and Owners may transfer ownership of their Units free from any such right.

Section 5.3 Membership; Voting Rights. The Association has one (1) class of membership comprising all Owners. Except as otherwise provided for in this Declaration, each Member in Good Standing is entitled to vote in Association matters as specified in Exhibit B. Each Owner is subject to all the rights and duties assigned to Owners under the Association Documents.

Section 5.4 Board of Directors. All members of the Board shall be Members of the Association eighteen years of age or older, or in the event that a Member is an entity other than a natural person, such member of the Board shall be an authorized representative of such entity Member eighteen years of age or older.

Section 5.5 Books and Records. Subject to provisions of CCIOA, the Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and to Mortgagees, current copies of the Association Documents and the books, records, and financial statements of the Association.

Section 5.6 Manager. The Association may employ or contract for the services of a Manager to whom the Board may delegate certain powers, functions, or duties of the Association.

ARTICLE VI. DUTIES AND POWERS OF THE ASSOCIATION AND BOARD

Section 6.1 Duties and Powers of the Association. The Association has been formed to further the Members' common interests. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, by the Act, CCIOA, and by the Nonprofit Act, whether expressed herein or not. The Association, acting through the Board of Directors or persons to whom the Board has delegated such powers, shall have the duties and powers 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 of the Association, to maintain, improve and enhance the Common Elements. Without in any way limiting the general scope of the foregoing, the Association shall have the following specific duties and powers:

6.1.1 Duty to Manage and Care for Common Elements. The Association shall regulate the use of, manage, operate, care for, maintain, keep in good repair, and replace the Common Elements in a manner that is similar to comparable condominium buildings in the immediate area.

6.1.2 Duty to Pay Taxes and Assessments. The Association shall pay all taxes and assessments, if any, levied upon the Common Elements and all other taxes and assessments payable by the Association. The Association shall have the right to contest any such taxes or assessments provided that the Association shall contest the same by

appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment, and provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

6.1.3 Duty to Maintain Insurance. The Association shall obtain and keep in full force and effect at all times insurance coverage in accordance with Article 10 of this Declaration.

6.1.4 Duty as to Budgets. The Association shall prepare, and submit to the Owners, annual budgets for revenues, expenditures, and reserves for the Association as elsewhere provided in this Declaration.

6.1.5 Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as elsewhere provided in this Declaration.

6.1.6 Duty to Keep Records. The Association shall keep current copies of this Declaration, the Articles of Incorporation, the Bylaws, the Rules, and the books, records, and financial statements of the Association available during normal business hours for inspection, and for copying at a reasonable cost, by Owners and First Mortgagees.

6.1.7 Duty to Maintain Register of Addresses and Notify of Address Change. The Association shall maintain a record of addresses which contains the address (which may include the facsimile number, if any, and, if the recipient desires to receive notices from the Association by e-mail, the e-mail address) of each Owner and each First Mortgagee. The initial address for each Owner shall be the address for such Owner set forth in the deed or other instrument of record conveying the Unit to such Owner, or, if no such address is set forth, the address of the Unit of such Owner. The initial address for a First Mortgagee shall be the address provided by the First Mortgagee to the Association. Any Owner may change its address by giving notice to the Association of a new address in accordance with Section 19.1, and the Association shall update the Association's records in accordance with any such notice. The Association shall provide the address for each Owner to any Member who requests such information and certifies to the Association in writing that they intend to use such information for purposes authorized by this Declaration or under the Rules. The Association shall have no liability to any person (including any Owner and any First Mortgagee) for providing the address as listed in the Association's records, regardless of whether such address is correct or whether any director, officer, employee, or agent of the Association has knowledge, actual or imputed, that the address in the Association's records is not correct. No information with respect to any First Mortgagee's or any Owner's address shall be imputed to the Association or any director, officer, employee, or agent of the Association, and the Association shall be entitled to rely solely on the initial address determined in accordance with this Section 6.1.7 or the most recent address, if any, furnished to the Association by any First Mortgagee, or any Owner by notice given in accordance with Section 19.1.

6.1.8 Power to Adopt Bylaws and Rules. The Association may adopt, amend, repeal, and

enforce Bylaws and such Rules as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of Units or the Common Elements, the use of any other property within the Project, and otherwise for the benefit of the Project and the Owners. Any such Rules shall be reasonable and uniformly applied. Written notice of the adoption, amendment, or repeal of any Rules shall be posted at the Association office, and copies of the currently effective Rules shall be made available to each Member upon request in accordance with CCIOA. Each Owner shall comply with such Rules and shall ensure that Permitted Users of such Owner comply with the Rules. The Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of conflict between the Rules and the provisions of this Declaration, the provisions of this Declaration shall control.

6.1.9 Power to Enforce Declaration and Rules. The Association has the power to enforce the provisions of the Association Documents, and shall take such action as the Board deems necessary or desirable to cause compliance by each Owner and Permitted Users. Without limiting the generality of the foregoing, the Association shall have the power to impose charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments, and other actions to enforce the power of the Association, regardless of whether or not suit was initiated, and after notice and opportunity to be heard, levy reasonable fines and impose other sanctions (including withholding a Member's right to vote) for violations of the Association Documents.

6.1.10 Power to Make Contracts. The Association has the power to enter into, make, perform, or enforce contracts, leases, licenses, agreements, easements, rights-of-way, and/or concessions through or over the Common Elements, or any portion thereof, with Owners, their family members, tenants, guests, invitees and other persons or entities, for any purpose deemed to be in the best interest of the Association, including contracts, licenses, agreements, easements, rights-of-way, and/or concessions for the provision of cable, satellite, or other television or wired or wireless broadcast or communication service to the Project, or any portion thereof. Any of such contracts, leases, licenses, agreements, easements, rights-of-way, and/or concessions shall be upon such terms as agreed to by the Board.

6.1.11 Power to Incur Liabilities. The Association may incur liabilities in the name of the Association, except that the Common Elements may only be subjected to a security interest in compliance with the provisions of Section 6.1.19 below.

6.1.12 Power to Employ Managers, Other Employees, Agents and Independent Contractors. The Association has the power to retain and pay for the services of a Manager, other employees, agents, and independent contractors to undertake any of the management or functions for which the Association has responsibility under this Declaration to the extent deemed advisable from time to time by the Board, and may delegate any of its duties, powers, or functions to the Manager, other employees, agents, or independent contractors. Any contract or agreement with a Manager shall be terminable by the Association for cause on no more than thirty (30) days prior written

notice, and shall be terminable by the Association without cause and without payment of a termination fee on no more than ninety (90) days prior written notice. Notwithstanding any delegation to a Manager, employee, agent, or independent contractor of any duties, powers, or functions of the Association, the Association and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, powers and functions. In connection with the power to hire a Manager, the Association may own, and utilize one or more Units as management or administrative offices or as the residence of a resident Manager for the Project and further, may use portions of the Common Elements as a management unit, notwithstanding the absence of a separate title for such management unit.

6.1.13 Power to Engage Employees, Agents and Consultants. The Association shall have the power to hire and discharge employees and agents and to retain and pay for such legal and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under this Declaration.

6.1.14 Power to Commence and Maintain Legal Actions. The Association has the power to commence and maintain, defend, or intervene in litigation, arbitration, and administrative proceedings in its own name on behalf of itself or two or more Owners regarding such issues and against such parties as may be deemed appropriate by the Board and as may be permitted under the Act and CCIOA. In determining whether to commence or maintain legal actions, the Board shall exercise its reasonable judgment, considering, without limitation, the likelihood of success, the impact, if any which such action may have upon the market values of the Units, the cost of pursuing the action including attorneys' fees and experts' fees, the resources of the Association, and whether a special assessment or depletion of reserves will be required in connection therewith or as a result thereof.

6.1.15 Power to Modify and Improve Common Elements. The Association has the power to modify the Common Elements and cause additional improvements to be made as a part of the Common Elements.

6.1.16 Power to Acquire and Maintain Property and Construct Improvements; Power to Convey Common Elements. The Association may acquire property or interests in property for the common benefit of Owners in its own name, including improvements and personal property. The Association may construct, modify or demolish improvements to the Project. Common Elements may be conveyed in fee only if (a) Members to whom at least sixty-seven percent (67%) of the votes in the Association are allocated agree to that action, and (b) if all Owners of Units to which any Limited Common Element is appurtenant agree in order to convey that Limited Common Element.

6.1.17 Power to Impose Fees and Charges. The Association has the power to impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements, and the Association has the power to impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid

Assessments. In addition, the Association has the power to impose and receive a nonrefundable move-in/move-out fee each time an Owner of a Unit or tenant moves into the Association.

6.1.18 Power to Provide Special Services for Members. The Association has the power to provide services to a Member or group of Members. Any service or services to a Member or group of Members shall be provided pursuant to an agreement in writing, that shall provide for payment to the Association by such Member or group of Members of the costs and expense that the Association incurs in providing such services, including a fair share of the overhead expenses of the Association, and shall contain provisions assuring that the obligation to pay for such services shall be binding upon any heirs, personal representatives, successors, and assigns of the Member or group of Members, and that the payment for such services shall be secured by a lien on the Units of the Member or group of Members and may be collected in the same manner as an Assessment, or, if the written agreement so provides, in installments as part of the Assessments.

6.1.19 Power to Borrow Money and Mortgage Property. The Association has the power to borrow money and assign its future income, including its right to receive Assessments upon resolution of the Board. Further, the Association has the power to encumber, in the name of the Association, any right, title, or interest in real or personal property, except that Common Elements may be conveyed in fee or subjected to a security interest only if (a) Members to whom at least sixty-seven percent (67%) of the votes in the Association are allocated agree to that action, and (b) if all Owners of Units to which any Limited Common Element is appurtenant agree in order to convey that Limited Common Element or subject it to a security interest.

6.1.20 Power to Indemnify. The Association shall have the power to provide for the indemnification of its officers and Board of Directors and maintain directors' and officers' liability insurance.

6.1.21 General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Colorado nonprofit corporation formed under the Act, CCIOA, and the Nonprofit Act, and to do and perform any and all acts that may be necessary or desirable for the governance and operation of the Association, subject only to such limitations upon such powers as may be set forth in this Declaration or in the Articles of Incorporation, the Bylaws, the Act, CCIOA, or the Nonprofit Act.

Section 6.2 Powers of the Board. Except for such rights as are expressly reserved to the Members in the Association Documents, the Act, the Nonprofit Act, or CCIOA, the Board has the power to, and may act in all instances on behalf of the Association.

Section 6.3 Limitation on Liability. Except as otherwise provided by law, the Association, the Board and any Member, director, officer, agent, or employee of the Association shall not be liable to any person for any action or for any failure to act under the provisions of the Association Documents if the action or failure to act was in good faith and without malice.

ARTICLE VII.
MECHANIC'S LIENS

Section 7.1 No Liability. If any Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon, no Owner of any other Unit, nor the Association, shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen, and other persons furnishing labor or materials to his Unit.

Section 7.2 Indemnification. If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Common Elements or against any other Owner's Unit or an Owner or the Association (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and save all the other Owners and the Association harmless from and against any and all costs, claims, losses, or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 7.3 Association Action. Labor performed or materials furnished for the Common Elements, if duly authorized by the Association in accordance with this Declaration or the Bylaws, shall be the basis for the filing of a lien pursuant to law against the Common Elements. Any such lien shall be limited to the Common Elements and no lien may be effected against an individual Unit or Units.

ARTICLE VIII.
EASEMENTS

Section 8.1 Recorded Easements. In addition to all easements, licenses, and rights-of-way of record at or before, or as a result of the recording of the Original Declaration, the Property shall be subject to all easements set forth herein, those shown on any Map or plat, those of record, those provided in CCIOA, and otherwise as set forth in this Article.

Section 8.2 Utility Easements. There is hereby created a blanket easement upon, across, over, in, and under the Property for the benefit of the Common Elements and the Units and the structures and improvements situated on the Property for ingress and egress, installation, replacing, repairing, and maintaining all utilities, including, but not limited to, water, sewer, gas, electricity, telephone, internet, and cable television, except that any such easements not in existence as of the date of recording this Declaration may not be utilized by the utility providers until after receiving written approval from the Board. Said blanket easement includes future utility services not presently available to the Units that may reasonably be required or desirable in the future. By virtue of this easement, after receiving approval of the Board, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Common Elements and to affix and maintain electrical, cable, internet,

and/or telephone wires, circuits, conduits and pipes on, above, across, and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by the Board as provided above. Upon exercise of the rights contained in this Section, the utility providers, at their sole cost and expense, shall repair (or replace if necessary) the Property and all improvements thereon to their condition as they existed prior to the utility providers performing any work.

Section 8.3 Reservation of Easements, Exceptions and Exclusions. The Association is hereby granted the right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Elements for the best interest of the Owners and the Association. Each Owner is hereby granted a perpetual non-exclusive right of ingress to and egress from the Owner's Unit over and across the General Common and Limited Common Elements appurtenant to that Owner's Unit, which right shall be appurtenant to the Owner's Unit, and which right shall be subject to limited and reasonable restriction on the use of Common Elements set forth in writing by the Association, such as for closure for repairs and maintenance.

Section 8.4 Emergency Access. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

Section 8.5 Maintenance and Repair Access. Some of the Common Elements are or may be located within a Unit, or are accessible only through a Unit. All Owners shall permit a right of entry to the Board, or any other person authorized by the Board, whether the Owner is present or not, for access through each Unit to all Common Elements, from time to time, as may be necessary for the routine maintenance, repair, or replacement of any of the Common Elements located thereon or accessible therefrom or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit. For routine maintenance and non-emergency repairs, entry shall be made only on a regular business day during regular business hours, after providing at least three day's' notice in writing to the Owner. In case of emergency, entry may be made at any time provided that a reasonable effort according to the circumstances is made to give notice of entry. The Board or its agent is granted the authority to use such reasonable force as is necessary to gain entry into the Unit for any access granted under this Section 8.5 if no other means of entry are available in view of the circumstances.

Section 8.6 Support Easement. Each Unit is subject to a blanket easement for support and a blanket easement for the maintenance of structures or improvements presently situated or to be built in the future on the Property.

Section 8.7 Easement for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements, or upon another Unit, the Owner of that Unit shall and does have an easement for such encroachment and for the maintenance of the same. Such encroachments shall not be considered to be encumbrances either on the Common Elements or a Unit. Encroachments referred to herein include, but are not limited to,

encroachments caused by error in the original construction of the Building, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof in accordance with the provisions of this Declaration.

ARTICLE IX.
MAINTENANCE

Section 9.1 Maintenance by Owners. Each Owner shall maintain, repair, and replace, as necessary and regardless of the cause of damage:

- (i) the interior of his Unit, including non-supporting walls and the surface materials such as plasters, drywall, paneling, wallpaper, paint, tile, and carpeting of the perimeter walls, ceilings, and floors within the Unit, including Unit doors, windows, and screens;
- (ii) fixtures and equipment installed within the Unit, including maintenance or repairs thereto to the extent necessary in order to avoid damaging other Owners;
- (iii) utility service lines serving the Unit and located within the Unit boundaries;
- (iv) repair or replacement of windows and doors of the Unit, including windows and doors that are part of the Common Elements enclosing a Unit (except that such repairs and replacement other than glass repairs shall only be permitted following prior approval of the Board); and
- (v) the Limited Common Elements appurtenant to such Owner's Unit, except that the Association shall be responsible for maintaining, repairing, or replacing utility service lines outside the Unit boundaries, parking spaces, decks, patios, porches, and terraces that are Common Elements, and Limited Common Elements that serve more than one Unit.

Notwithstanding the foregoing sentence, each Owner shall be responsible for keeping Limited Common Elements appurtenant to such Owner's Unit in a good, clean, sanitary, and attractive condition, except to the extent the Association undertakes this obligation. An Owner shall do no act or any work that will impair the structural soundness or integrity of the Common Elements or impair any easement without the Association's prior written consent. The Association reserves the right, from time to time, and at different times, to assign the responsibility for maintenance of the improvements (including Common Elements and portions thereof) to the Owners of the Units, and the Owners are obligated to accept said maintenance responsibility, provided said assignment is done in a nondiscriminatory manner. Further, the Association reserves the right to revoke any permission granted or responsibility delegated herein, from time to time, and at different times, in which event the Association shall be responsible for maintenance as further set forth herein. Subject to availability of any insurance proceeds, the Association has the right, in the event of damage or destruction of a Limited Common Element from any cause other than the negligence or tortious acts of an Owner or Permitted User, to assess the expense to repair or rebuild the Limited Common Element to its previous condition to the Owners of the Units to which the Limited Common Element is appurtenant. The Owner shall bear the cost of such damage to the extent of such Owner's or Permitted User's tortious act or negligence.

Section 9.2 Owner's Failure to Maintain or Repair. In the event that a Unit (including the appurtenant Limited Common Elements) is not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the Unit lies with the Owner of the Unit, or in the event that the Common Elements or a Unit is damaged or destroyed due to the failure of an Owner to properly maintain or repair the Unit, and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of those portions of the damaged or destroyed Common Element or Unit for which the Owner is responsible to substantially the same condition in which they existed prior to the damage or destruction, then the Association, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Common Elements and the Unit to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Unit, upon demand. All unreimbursed costs shall be a Default Assessment against the Unit until reimbursement is made.

Section 9.3 Maintenance by Association. The Association shall be responsible for the maintenance and repair of the Common Elements, whether located inside or outside of Units (except as set forth in Section 9.1 above and unless necessitated by damage caused by the negligence, misuse, or tortious act of an Owner or Permitted User as set forth in Section 9.4 below), which shall be the Common Expense of all Owners. All damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Elements, at the instance of or as the result of the acts or omissions of the Association, shall be paid for as a Common Expense of the Association. No Owner shall be entitled to diminution or abatement of Assessments for inconveniences, closures, or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance, or order of any governmental authority.

Section 9.4 Association Maintenance as Common Expense. Subject to availability of any insurance proceeds and as provided by Section 9.1, the cost of maintenance and repair by the Association shall be a Common Expense. Damage to the interior or any part of a Unit resulting from the maintenance, repair, or replacement of any of the Common Elements or as a result of emergency repairs within another Unit at the instance of the Association shall also be Common Expense of all of the Owners. However, if such damage is caused by negligent or tortious acts of an Owner or Permitted User, then such Owner shall be responsible and liable for all of such damage and the cost thereof, to the extent that Owner or Permitted User's negligence caused such damage, which must be timely paid. In the event the Owner fails to pay the cost of the damages incurred within the time permitted by the Board, the Association may pay for said damages and charge the Owner responsible as a Default Assessment.

Section 9.5 No Other Alterations to Common Elements. Except as required herein, no Owner shall make any addition or other alteration to any portion of the Common Elements (either General and Limited Common Elements), no matter how minor, without the express written consent of the Board, which consent may be withheld in the Board's sole and absolute discretion.

ARTICLE X.
INSURANCE

Section 10.1 General Insurance Provisions. The Association shall acquire and pay for, out of the assessments levied under Article 11 below, the following insurance policies carried with reputable insurance companies authorized to do business in Colorado:

10.1.1 Property Insurance Coverage. Insurance for fire, with extended coverage, vandalism, malicious mischief, all-risk, replacement cost, agreed amount (if the policy includes co-insurance), special condominium, building ordinance and inflation guard endorsements attached, in amounts determined by the Board to represent not less than the full then current insurable replacement cost of the structures located on the Property including all of the Buildings, Units, and Common Elements. The required insurance shall provide coverage on a replacement cost basis (as such term is generally used in standard property policies or the equivalent) to allow for rebuilding the building structures; the exterior components of the Units; partition and party walls and interior partition walls, and components located in walls (including framing, plumbing, electrical, and mechanical components); and all portions of the Common Elements. The Association is not required to obtain property insurance for finishes to surfaces of walls, floors, or ceilings within the Unit (including, but not limited to texture, paint, wallpaper, paneling, other wall coverings and window coverings, tile, carpet or floor coverings). Further, the Association is not required to obtain property insurance for cabinetry, fixtures, appliances, equipment within or serving exclusively the Unit (for example, air conditioners) unless required by an Agency, nor any betterments, improvements, or additions to Units made by Owners or their predecessors. The required insurance shall exclude building excavations and foundations. Maximum deductible amounts for such policy shall be determined by the Board, provided, however, that if an Agency requires specific deductibles, the Board shall follow such Agency's requirements where economically reasonable. In the event the Project has central heating or cooling or contains a steam boiler, coverage for loss or damage resulting from steam boiler and machinery equipment accidents in an amount equal to the lower of one million dollars (\$1,000,000) or the insurable value of the buildings housing the boiler or machinery shall also be obtained. Each Owner shall be responsible for obtaining additional or supplemental insurance covering any additions, alterations, or improvements to his Unit which increase the replacement value of his Unit. In the event that a satisfactory arrangement is not made for additional insurance by the Owner, the Owner shall be responsible for any deficiency in any resulting insurance loss recovery and the Association shall not be obligated to apply any insurance proceeds to restore the affected Unit to a condition better than the condition existing prior to the making of such additions, alterations, or improvements. Any additional premiums attributable to the original specifications of a Unit for which the insurance is increased as herein provided may be the subject of a lien for nonpayment as an Assessment in the event the Association pays such premium for an Owner.

10.1.2 Commercial General Liability. Commercial general liability insurance for the Project in such amounts as the Board deems desirable, provided that such coverage shall

be for at least one million dollars (\$1,000,000) for bodily injury, including death and property damage arising out of a single occurrence insuring the Association, the Board, the Manager, if any, and their respective agents and employees, and the Owners from liability in connection with the operation, maintenance, and use of Common Elements and must include a “severability of interest” clause or specific endorsement. Such coverage shall also include legal liability arising out of contracts of the Association and such other risks as are customarily covered with respect to condominiums similar to the Project in the Summit County, Colorado area including automobile liability insurance if appropriate. The Board shall not enter into employment contracts or independent contractor contracts of any kind unless the contracting party provides evidence (such as a Certificate of Insurance) to the Board that such party has current and satisfactory insurance, including workers compensation insurance, commercial general liability, and automobile insurance on all of which the Association is named as an additional insured.

10.1.3 Requirements of Hazard Insurance and Comprehensive Liability Insurance. The insurance policies required by Sections 10.1.1 and 10.1.2 above may be carried in blanket policy form naming the Association as the insured, for the use and benefit of and as attorney-in-fact for the Owners. Each Owner shall be an insured person under the policy with respect to liability arising out of such Owner’s interest in the Common Elements or membership in the Association. Each Mortgagee and its successors or assigns shall be a beneficiary of the policy in the percentages of Common Expenses for the Unit which the Mortgage encumbers. The insurance company shall waive its rights of subrogation under the insurance policy against any Owner or member of the Owner’s household. No act or omission by any Owner, unless acting within the scope of such Owner’s authority on behalf of the Association, shall void the insurance policy or be a condition to recovery under the insurance policy. If, at the time of a loss under an insurance policy described above there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association’s policy shall provide primary insurance.

10.1.4 Owner’s Insurance. The Association’s insurance will not cover all losses an Owner may suffer in a casualty. Each Owner shall obtain and maintain in full force and effect a homeowners policy (Colorado “HO-6” policy or equivalent) covering the Condominium Unit to the extent not covered by the Association’s insurance, including without limitation its fixtures, cabinetry, equipment, finishes to surfaces of walls, floors, and ceilings, floor and wall coverings, betterments, improvements and additions (whether made by the Owner or a predecessor), the Owner’s personal property, and providing liability coverage for bodily injury, property damage and loss assessments by the Association. The Association shall have no liability for the failure of any Owner to obtain or maintain the insurance provided for herein.

Section 10.2 Certificates of Insurance; Cancellation. Certificates of insurance shall be issued to each Owner and Mortgagee upon request. All policies required to be carried under this Article 10 shall provide a standard non-contributory mortgagee clause in favor of each First Mortgagee of a Unit and shall provide that such policy cannot be canceled by the insurance company without at least thirty (30) days prior written notice to each Owner and each First Mortgagee whose address is shown in the records maintained pursuant to the Association

Documents. If the insurance described in this Article 10 is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and to all First Mortgagees.

Section 10.3 Insurance Proceeds. Any loss covered by the Association's insurance policies described in Section 10.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 10.4 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners, and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 10.4 Repair and Replacement. Any portion of the Common Elements for which insurance is required under this Article that is damaged or destroyed must be repaired or replaced by the Association unless:

10.4.1 The common interest community created by this Declaration is terminated in which case the approval must first be obtained of Owners to whom eighty-five percent (85%) of the votes in the Association are allocated;

10.4.2 Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;

10.4.3 There is a vote not to repair or replace by (a) Owners to whom at least eighty-five percent (85%) of vote in the Association are allocated and (b) every Owner of a Unit or assigned Limited Common Element that will not be repaired or replaced; or

The cost of repair or replacement of Common Elements in excess of insurance proceeds and reserves is a Common Expense. If all the Common Elements are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project, and except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear in proportion to each Owner's allocated interests in ownership of the Common Elements.

Section 10.5 Fidelity Insurance. Fidelity insurance or fidelity bonds must be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others, including any Manager hired by the Association, who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than one and one-half (1 ½) times the estimated annual operating expenses of the Association, and all amounts held in reserves. In addition, if responsibility for handling funds is delegated to a Manager, such insurance or bonds

must be obtained by or for the Manager and its officers, employees, and agents, as applicable. Such fidelity insurance or bonds shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of “employees,” or similar terms or expressions.

Section 10.6 Workers’ Compensation Insurance. The Board shall obtain workers’ compensation in the amounts and forms as may now or hereafter be required by law.

Section 10.7 Directors and Officers Liability Insurance. The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Board may deem appropriate on behalf of the Board and the Association’s officers against any liability asserted against a member of the Board or incurred by him in his capacity of or arising out of his status as a member of the Board.

Section 10.8 Other Insurance. The Association shall maintain flood insurance if any part of the Project is located within a Special Flood Hazard Area on a Flood Insurance Rate Map, equal to the lesser of one hundred percent (100%) of the insurable value of the Project or the maximum coverage available under the appropriate National Flood Insurance Program. The Board may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association’s responsibilities and duties or as requested by any Agency.

Section 10.9 Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses, provided, however, that if some of the insurance is attributable to some but not all of the Units, the Association reserves the right to charge the Owners for which the insurance coverage is attributable, an amount equal to the premium attributable to such additional insurance coverage.

Section 10.10 Policies Regarding Claims and Deductibles. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to the Property, it shall have the authority to assess Unit Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. Any loss less than the specified deductible of such policy, including losses less than the deductible, shall be borne by the person or entity who is responsible for the repair and maintenance of the property which is damaged or destroyed. In the event of a joint duty of repair and maintenance between the Association and a Unit Owner of the damaged or destroyed property, then the deductible shall be borne by the Association and the Owner in accordance with their percentage responsibility for the repair and maintenance of the damaged or destroyed property. In the event that more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Unit Owner a pro rata share of any deductible required by such policy. Notwithstanding the foregoing, after notice and hearing, the Board may determine that a loss, either in the form of a deductible to be paid by the Association or an uninsured loss resulted from the act or negligence of an Owner. Upon such determination, any such loss or portion thereof may be assessed to the Owner in question and the Association may collect the amount from said Owner in the same manner as a Default Assessment.

ARTICLE XI.
ASSESSMENTS

Section 11.1 Obligation. Each Owner is obligated to pay to the Association: (i) the Annual Assessments; (ii) Special Assessments; and (iii) Default Assessments. Each Assessment against a Unit is the personal obligation, jointly and severally, of the Owner(s) at the time the Assessment became due and shall not pass to successors in title unless they agree to assume the obligation. No Owner may exempt himself from liability for the Assessment by abandonment of his Unit or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorneys' fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration. All Assessments shall be payable in accordance with the levy thereof, and no offsets or deductions thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board is not properly exercising its duties and powers under the Association Documents.

Section 11.2 Budget. The Board shall, in advance, prepare and adopt a proposed Common Expense budget annually based on estimated Common Expenses. Estimated Common Expenses may include, but shall not be limited to: repairing, replacing, and maintaining the Common Elements and the Association's personal property; heat and hot water for Common Elements; payment of any taxes on Association property; providing electrical and other utility services for Common Elements; installing, maintaining, and repairing driveways, parking areas, and underground utilities upon, across, over, and under any part of the Property; furnishing garbage and trash pickup, snow plowing, water and sewer services to the Property, and other such utility services as may be approved by the Board, by way of example and not obligation, cable and internet; providing horticultural services to the Property such as mowing grass, caring for the grounds, walks, and pathways, and landscaping; obtaining and maintaining insurance in accordance with the provisions hereof; painting, repairing, replacing, and maintaining roofs, exterior building surfaces, and other portions of the Common Elements; heat and hot water for Common Element components, including boilers; establishing and maintaining reserves for repairs, maintenance, taxes, capital improvements, and other purposes; management; hiring personnel and legal and accounting services for Association purposes; carrying out all other powers, rights, and duties of the Association; and, generally for any other purposes and uses that the Association shall determine to be necessary or reasonably required to meet the primary purposes of the Association.

Section 11.3 Budget Consideration. Within ninety (90) days after adoption of any proposed budget for the Project, the Board shall mail, by ordinary first-class mail, or otherwise deliver, including posting the proposed budget on the Association's website, a summary of the Association budget to all the Owners and shall set a date for a meeting of the Owners to consider the budget. The meeting must occur within a reasonable time after mailing or other delivery of the summary, or as allowed for in the Bylaws. The Board shall cause notice to the Owners to be given as allowed for in the Bylaws. The proposed budget does not require approval by Owners and is deemed approved by the Owners in the absence of a veto at the meeting by the Owners of

Units to which at least a majority of all the votes in the Association are allocated, whether or not a quorum is present. If the proposed budget is vetoed, the periodic budget last proposed by the Board and not vetoed by the Owners must be continued until a subsequent budget proposed by the Board is not vetoed by the Owners. The Board may revise the budget and adjust the Annual Assessment from time to time during the year, subject to the notice requirements set forth above.

Section 11.4 Annual Assessments. Annual Assessments made for Common Expenses shall be based upon the adopted budget. Except as expressly otherwise provided herein, the Board shall levy and assess the Annual Assessments to each Owner in accordance with the Allocated Interests in effect on the date of the Annual Assessment. Any expense associated with the maintenance, repair or replacement of a Limited Common Element (other than parking spaces and storage spaces) may be assessed against the Units to which the Limited Common Element is assigned, equally among such Units to which such Limited Common Element is allocated, and the Executive Board reserves the right to allocate all expenses relating to fewer than all of the Units to the owners of those affected Units only. Utility expenses benefiting only one Unit shall be assessed to that Unit. Utility expenses benefiting more than one Unit shall be assessed to the Units benefited in accordance with their relative Allocated Interests for Common Expenses. Annual Assessments shall be payable in advance monthly or on such other basis as may be determined by the Board, and shall be due on the first day of each period in regular installments on a prorated basis. The omission or failure of the Association to fix the Annual Assessments for any assessment shall not be deemed a waiver, modification or release of the Owners from their obligation to pay the same.

Section 11.5 Date of Commencement of Annual Assessments. The Annual Assessments shall commence as to each Unit on the first day of the month following the effective date of adoption of the budget. Any Owner purchasing a Unit between installment due dates shall pay a pro rata share of the installment due.

Section 11.6 Special Assessments. In addition to the Annual Assessments, the Board, may levy Special Assessments payable over such a period as the Board may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements, or for any other expense incurred or to be incurred as provided in this Declaration. Any amounts assessed pursuant to this Section shall be assessed to Owners according to their Allocated Interests for Common Expenses, subject to the right of the Association to assess the Special Assessment only against the Owners of affected Units. Notice in writing of the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice has been given.

Section 11.7 Default Assessments. All fines or charges assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least ten (10) days prior to the due date.

Section 11.8 Working Capital Fees. To ensure the Association's reserves are properly funded, upon the conveyance of any Unit to a third party, the purchaser shall make a non-refundable payment to the Association in an amount equal to three times the then-current monthly Assessment. Such payment shall be held in the Association's reserve funds, used by the Board of Directors for capital repairs and maintenance, and is non-refundable. The obligation to make this payment shall not attach to conveyances that are not to third parties or that are made for purposes of estate-planning or family succession, e.g., conveyances to a trust, or in the context of a dissolution of marriage. Any payments made prior to the effective date of this Declaration pursuant to the Original Declaration that were held as "Assessment Reserves" are governed by the Original Declaration's provisions set forth in Paragraph 38 of that document and are not Working Capital Fees. The Working Capital Fee obligation shall be reported by the Association on any status letter request made pursuant to Section 11.11, below.

Section 11.9 Effect of Nonpayment: Assessment Lien. Any Assessment installment, whether pertaining to any Annual, Special, or Default Assessment, which is not paid when due shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

11.9.1 If the delinquency continues for a period of at least ten (10) days, assess a late charge for each delinquency in such amount as the Association deems appropriate and assess an interest charge from the due date until paid at the rate established by the Board of Directors not to exceed twenty-one percent (21%) per year;

11.9.2 Suspend the voting rights of the Owner during any period of delinquency;

11.9.3 Accelerate all remaining Assessment installments so that unpaid assessments for the remainder of the fiscal year shall be due and payable at once;

11.9.4 Bring an action at law against any Owner personally obligated to pay the delinquent Assessments;

11.9.5 Proceed with foreclosure as set forth in more detail below; and

11.9.6 Suspend any of the Owner's membership privileges.

Assessments chargeable to any Unit shall constitute a lien on such Unit. Such lien will be subject to the provisions of Colorado Revised Statutes, Section 38-33.3-316. Such lien will be superior to all other liens, except (a) the liens of all taxes, bonds, assessments and other levies which by law should be superior and (b) the lien or charge of any first mortgage made in good faith and for value. Notwithstanding the foregoing, the Association's lien for delinquent Assessments will be prior to a first mortgage to the extent of an amount equal to the Assessments which would have come due, in the absence of acceleration, during the six months immediately preceding institution by either the Association or any First Mortgagee of an action or a nonjudicial foreclosure either to enforce or extinguish the lien. The Association may institute foreclosure proceedings against the defaulting Owner's Unit in the manner for foreclosing a

mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Owner shall be required to pay the Association the monthly assessment installments for the Unit during the period of any foreclosure. The Association shall have the power to bid on a Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. The Association's lien shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any homestead exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Unit subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said assessment lien.

Section 11.10 Payment by Mortgagee. Any First Mortgagee holding a lien on a Unit may pay, but shall not be required to pay, any unpaid amount payable with respect to such Unit, together with any and all costs and expenses incurred with respect to the lien and upon such payment that Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as the lien of the Mortgage without the necessity of having to record a notice or claim of such lien. Upon request of a First Mortgagee, the Association shall report to the First Mortgagee of a Unit any unpaid Assessments remaining unpaid for longer than twenty-five (25) days after the same are due; provided, however, that a First Mortgagee shall have furnished to the Association notice of such encumbrance.

Section 11.11 Statement of Status of Assessment Payment. Upon fourteen (14) days' written request and payment of a reasonable fee to the Association's registered agent by personal delivery or certified mail, first-class postage prepaid, return receipt, any Owner, designee of Owner, Agency, Mortgagee, prospective Mortgagee or prospective purchaser of a Unit shall be furnished with a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Unit. Unless such statement shall be issued by personal delivery or by certified mail, first class postage prepaid, return receipt requested to the inquiring party (in which event the date of posting shall be deemed the date of delivery) within fourteen (14) days after receipt of the request, the Association shall have no right to assert a lien upon the Unit for unpaid Assessments which were due as of the date of the request.

Section 11.12 Maintenance Accounts: Accounting. If the Association delegates powers of the Board or its officers relating to collection, deposit, transfer, or disbursement of Association funds to other persons or to a Manager, then such other persons or Manager must (i) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or Manager, (ii) maintain all reserve accounts of the Association separate from the operational accounts of the Association, and (iii) provide to the Association no less than once per quarter an accounting for the previous quarter. In addition, the Association shall obtain an annual accounting and financial statement of Association funds (on either a review or audit basis, at the Association's discretion) and annual tax returns prepared by a certified public accountant.

ARTICLE XII.
DAMAGE OR DESTRUCTION

Section 12.1 The Role of the Executive Board. Except as provided in Section 10.4, in the event of damage to or destruction of all or part of any Common Elements, or other property covered by insurance written in the name of the Association under Article 10, the Board shall arrange for and supervise the repair and restoration of the damaged property (the property insured by the Association pursuant to Article 10 is sometimes referred to as the “Association-Insured Property”).

Section 12.2 Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. “Repair and reconstruction” as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction unless the approval is obtained from Owners to whom at least eighty-five percent (85%) of the ownership interests in the Common Elements are allocated and all First Mortgagees, including every Owner of a Unit or assigned Limited Common Element that will not be repaired or reconstructed. Such costs may also include professional fees and premiums for such bonds as the Board or the insurance trustee, if any, determines to be necessary.

Section 12.3 Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 12.4 Funds for Repair and Reconstruction. The proceeds received by the Association from any property insurance carried by the Association shall be used for the purpose of repair, replacement, and reconstruction of the Association-Insured Property for the benefit of Owners and Mortgagees. If the proceeds of the Association’s insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Section 11.5, levy, assess, and collect in advance from the Owners a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in a like manner if the amounts collected prove insufficient to complete the repair, replacement, or reconstruction.

Section 12.5 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction

shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be retained by the Association to offset future expenses of the Association.

ARTICLE XIII. CONDEMNATION

Section 13.1 Rights of Owners. Whenever all or any part of the Common Elements is taken by power of condemnation or eminent domain or whenever all or any part of the Common Elements is conveyed by the Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain in lieu of a taking under threat of condemnation, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 13.2 Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association for the benefit of the Owners and Mortgagees and, unless otherwise required under the Act and CCIOA, the award shall be disbursed as follows:

If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking Owners to whom at least sixty-seven percent (67%) of the ownership interests in the Common Elements are allocated shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Executives Board. If such improvements are to be repaired or restored, the provisions in Article 12 above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be retained by the Association to offset future expenses of the Association.

Section 13.3 Complete Condemnation. If all of the Property is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, provided that approval must first be obtained of fifty-one percent (51%) of First Mortgagees, and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in the Colorado Revised Nonprofit Corporation Act upon liquidation of the Association.

ARTICLE XIV. ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of: (a) granting easements pursuant to Article 8; (b) purchasing and maintaining insurance pursuant to Article 10, including the collection and appropriate

disposition of the proceeds thereof, the negotiation and settlement of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to purchase and maintain insurance as well as dealing with any improvements covered by insurance written in the name of the Association pursuant to Article 10 upon their damage or destruction as provided in Article 12; (c) negotiating and dealing with any authority having the power of condemnation or eminent domain relating to a complete or partial taking as provided in Article 13, above; or (d) acting in any other capacity on behalf of the Owners when approval by the Owners is required and has been obtained. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact for the purposes provided for herein, and the Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XV.
ALTERATIONS, ADDITIONS OR IMPROVEMENTS
TO COMMON ELEMENTS

Section 15.1 Alterations, Additions or Improvements to Common Elements. No alteration, addition, or improvement to the Common Elements of any kind (including, without limitation, change in color or texture of exterior surfaces, modifications of doors or windows, enclosures of patios, balconies, or terraces), or which in any manner affect the Common Elements (by way of example and not by way of limitation, addition or removal of air conditioning units, hot tubs, spas, fireplaces, skylights, and moving or removing structural walls), shall be made unless first approved in writing by the Board. All alterations, additions, or improvements shall comply with any Rules adopted by the Board governing architectural or design considerations, signs, window coverings, lighting, or other alterations, additions, or improvements. The Board shall respond to any written request for approval of a proposed addition, alteration or improvement within forty-five (45) days after the complete submission of the plans, specifications, and other materials and information which the Board may require in conjunction therewith. If the Board fails to approve or disapprove any request within forty-five (45) days after the complete submission of the plans, specifications, materials, and other information with respect thereto, the request shall be deemed to have been denied. In the event the Board approves any such alteration, addition, or improvement, it shall exercise reasonable business judgment to the end that any modifications to the Common Elements conform to and harmonize with existing surroundings and structures. The Board has the absolute right to deny any requested changes.

Section 15.2 Governmental Approval. If any application to any governmental authority for a permit to make any such alteration, addition, or improvement requires execution by the Association, and provided approval has been given by the Board, then the application shall be executed on behalf of the Association by an authorized officer, without however incurring any liability on the part of the Board, the Association or any of them to any contractor, subcontractor, or materialman on account of such alteration, addition, or improvement, or to any person having claim for injury to person or damage to property arising therefrom.

Section 15.3 Architectural Review Committee. The Board has the right, without the obligation, to establish an Architectural Review Committee (the “Committee”) which shall be responsible for such matters as may be assigned by the Board, which may include, by way of example and limitation, the following: establishment and administration of architectural or design guidelines, sign guidelines and criteria, window covering and lighting guidelines; review and recommendations for approval, disapproval, or approval with conditions of alterations or additions to Common Elements (whether General or Limited); and such other matters as the Board may request.

Section 15.4 Association Right to Remove Unauthorized Alterations, Additions, or Improvements. The Association, after reasonable notice to the Owner of the offending Unit, may remove any alterations, additions, or improvements constructed, reconstructed, refinished, altered, or maintained in violation of this Declaration, and the Owner shall immediately reimburse the Association for all expenses incurred in connection with such removal.

ARTICLE XVI. MORTGAGEE’S RIGHTS

The following provisions are for the benefit of holders, insurers or guarantors of First Mortgages. To the extent permitted under Colorado law and as applicable, necessary or proper, the provisions of this Article apply to this Declaration and also to the Articles, Bylaws, and Rules and regulations of the Association.

Section 16.1 Title Taken by First Mortgagee. Any First Mortgagee of record against a Unit who obtains title to the Unit pursuant to remedies exercised in enforcing the Mortgage, including foreclosure of the Mortgage or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Unit (i) is acquired or (ii) could have been acquired under the statutes of Colorado governing foreclosure, whichever is earlier.

Section 16.2 Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Units for losses to, or taking of, all or part of the Common Elements, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any First Mortgagee against the Unit.

Section 16.3 Right to Pay Taxes and Charges. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements, and may pay overdue premiums on insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

Section 16.4 Audited Financial Statement. Upon written request from any Agency or Mortgagee which has an interest or prospective interest in any Unit or the Project, and upon

payment in advance by such Agency or Mortgagee of the estimated cost as determined by the Board, the Association shall prepare and furnish within ninety (90) days an audited financial statement of the Association for the immediately preceding fiscal year at the expense of such Agency or Mortgagee.

Section 16.5 Notice of Action. Any First Mortgagee and any Agency which holds, insures or guarantees a First Mortgage, upon written request to the Association (which shall include the Agency's name and address and Unit number), will be entitled to timely written notice of:

16.5.1 Any condemnation or casualty loss that affects either a material portion of the Project or the Unit secured by the Mortgage;

16.5.2 Any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which the Mortgagee holds the Mortgage;

16.5.3 A lapse, cancellation, or material modification of any insurance policy maintained by the Association; and

16.5.4 Any proposed action that requires the consent of a specified percentage of First Mortgagees.

Section 16.6 Action by Mortgagee. If this Declaration requires First Mortgagees to approve or consent to action of the Association, the Association shall send a dated, written notice and a copy of any proposed action by certified mail to each First Mortgagee at its address provided to the Association. A First Mortgagee that does not deliver to the Association a negative response within sixty (60) days after the date of the notice shall be deemed to have approved the proposed action. No approval or consent is required of Mortgagees who are not also First Mortgagees.

Section 16.7 Junior Mortgages. The owner of a Unit may create junior Mortgages on the following conditions: (i) that any such junior Mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, liens for Common Expenses, and other obligations created by this Declaration and the Bylaws; (ii) that the Mortgagee under any junior Mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a junior Mortgagee upon written request of one or more of the members of the Board. If not given, such release may be executed by the Association, as attorney-in-fact for such junior Mortgagee.

ARTICLE XVII. DURATION OF COVENANTS AND AMENDMENT

Section 17.1 Term. The covenants and restrictions of this Declaration shall run with

and bind the land in perpetuity, subject to the termination provisions of the Act and CCIOA.

Section 17.2 Amendment. This Declaration, or any provision of it, may be amended at any time by approval of Owners to whom at least sixty percent (60%) of ownership interests in the Common Elements are allocated (or such other percentage as may be required by Colorado law), except that approval shall also first be obtained from fifty-one percent (51%) of First Mortgagees if the amendment to the Declaration adds or deletes any material provisions which establish, provide for, govern or regulate any of the following, except as otherwise provided herein:

17.2.1 Voting rights;

17.2.2 Assessments, increases in Assessments that raise the previously assessed amount by more than twenty-five percent (25%), Assessment liens or the priority of such liens;

17.2.3 Reductions in reserves for maintenance, repair and replacement of the Common Elements;

17.2.4 Responsibility for maintenance and repairs;

17.2.5 Reallocation of interests in the Common Elements;

17.2.6 Redefinition of boundaries of any Unit;

17.2.7 Convertibility of Units into Common Elements or of Common Elements into Units;

17.2.8 Expansion or contraction of the Project, or the addition, annexation, or withdrawal of property to or from the Project;

17.2.9 Hazard or fidelity insurance requirements;

17.2.10 Imposition of any restrictions on the leasing of Units, other than as set forth herein;

17.2.11 Imposition of any restrictions on an Owner's right to sell or transfer his Unit;

17.2.12 A decision by the Association to establish self-management if professional management has been required previously by any Agency;

17.2.13 Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration;

17.2.14 Any provision which is for the express benefit of an Agency or First Mortgagee.

Section 17.3 Amendment for Certain Actions. Notwithstanding anything else contained

in this Declaration, and except in case of condemnation or substantial loss to the Units and/or Common Elements, unless at least two-thirds (2/3rds) of First Mortgagees and Owners to whom at least sixty-seven percent (67%) of ownership interests in the Common Elements are allocated have given their prior written approval, the Association may not, except as otherwise provided herein:

17.3.1 .By act or omission seek to abandon or terminate the condominium regime hereby;

17.3.2 Reallocate the Allocated Interest or obligation of any Unit in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards, or determine the Allocated Interests of Ownership of Common Elements other than as set forth in this Declaration;

17.3.3 Partition or subdivide any Unit, except as set forth in this Declaration;

17.3.4 Seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements, except as set forth in this Declaration, by act or omission other than the grant of easements for public utilities or other public purposes consistent with the intended use of the Common Elements;

17.3.5 Use hazard insurance proceeds for losses to any part of the Property (whether Units or Common Elements) for other than the repair, replacement or reconstruction of the Project.

The percentage of the undivided interest in the General Common Elements appurtenant to each Unit, as expressed in this Declaration, shall have a permanent character and shall not be altered without the consent of all of the Unit Owners as expressed in an amended Declaration duly recorded.

Section 17.4 Execution of Amendment. Any amendment must be executed by the President of the Association and recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of Association to the recorded instrument certifying the approval of the amendment by a sufficient number of Owners and First Mortgagees, if applicable.

ARTICLE XVIII. LIMIT ON TIMESHARING

No Unit shall be used (a) for the operation of a timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years; or (b) for the operation of a reservation or time-use system among co-Owners of a Unit managed by a party other than the co-Owners themselves or a system whereby co-Owners are required as a condition of purchase of a fractional interest in the Unit to subject the fractional interest to a pre-determined reservation or time-use system among co-Owners, regardless of whether or not the co-Owner may later opt

out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating.

ARTICLE XIX. GENERAL PROVISIONS

Section 19.1 Notice. Any notice to an Owner of matters affecting the Project by the Association or by another Owner shall be sufficiently given and effective if in writing and, if delivered personally by courier or private service delivery on the date of delivery, or if delivered by mail, on the third business day after deposit in the U.S. mail at the address provided to the Association by the Owner, and if none, to the address of record for real property tax assessment notices with respect to that Owner's Unit. Any notice to the Association by an Owner shall be sufficiently given and effective if in writing and if delivered by mail to the address of record with the Colorado Secretary of State.

Any First Mortgagee, upon written request, shall be entitled to notice from the Association or Managing Agent under the same circumstances as its mortgagor, at such address as the First Mortgagee shall provide to the Association requesting such notice.

Section 19.2 Enforcement. The Association on behalf of itself and any aggrieved Owner shall be granted a right of action against any and all Owners for failure to comply with the provisions of the Association Documents, or with decisions of the Board made pursuant to authority granted to the Association in the Association Documents. In any action covered by this Section, the Association or any Owner shall have the right but not the obligation to enforce the Association Documents by any proceeding at law or in equity, or as set forth in the Association Documents, or by mediation or binding arbitration. The prevailing party in any arbitration or judicial relief shall be entitled to reimbursement from the non-prevailing party or parties, for all costs and expenses, including attorneys' fees in connection with such arbitration or judicial relief. Failure by the Association or by any Owner to enforce compliance with any provision of the Association Documents shall not be deemed a waiver of the right to enforce any provision thereafter. The decision of the Association to pursue enforcement action in any particular case shall be left to the Board's discretion, subject to the duty to exercise its business judgment, and not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature to justify expending the Association's resources; or (iv) that it is not in the Association's best interests, based on hardship, expense or other reasonable criteria, to pursue enforcement action.

Section 19.3 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 19.4 Conflicts Between Documents. In case of conflict between this

Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

In Witness Whereof the undersigned Secretary of the Association has set his hand on the day and year first set forth above certifying that Owners representing the requisite percentage of Units and Mortgagees have approved the adoption of this Amended and Restated Condominium Declaration for Dillon Valley East Condominium Association, and that the originals of such written approvals are kept in the corporate records of the Association and are available for inspection.

ASSOCIATION:
Dillon Valley East Condominium
Association

By: _____
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged, subscribed and sworn to before me this ___ day of _____, 2021, by _____ as Secretary of Dillon Valley East Condominium Association.

Witness my hand and official seal.
My commission expires: _____

Notary Public

EXHIBIT A
TO
AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR
DILLON VALLEY EAST CONDOMINIUM ASSOCIATION

PROPERTY SUBJECT TO DECLARATION

LEGAL DESCRIPTION:

It is the intent of this Declaration that it encumber all real property encumbered by the Original Declaration, specifically including the following:

Parts of Tract A, Dillon Valley Second Filing, being a part of Section 5, Township 5 South, Range 77 West of the Sixth Principal Meridian, County of Summit, State of Colorado, more particularly described as follows:

Parcel N.

Commencing at the Southwest corner of said Tract A; thence N58°42'38"E and along the South line of said Tract A, 720.00 feet to a point of curve; thence along said South line and along a curve to the right having a radius of 330.00 feet, a central angle of 32°30'00", an arc distance of 187.19 feet to a point of tangency; thence S88°47'22"E and along said South line and along said tangent 110.00 feet to a point of curve; thence along said South line and along a curve to the left having a radius of 370.00 feet, a central angle of 21°30'00", an arc distance of 138.84 feet to a point of tangency; thence N69°42'38"E and along said South line 244.64 feet to the point of beginning; thence N31°17'22"W, 233.61 feet; thence N58°42'38"E, 150.00 feet; thence S31°17'22"E, 150.00 feet; thence S21°17'22"E, 98.14 feet to a point on said South line; thence on an angle to the right of 76°01'11" and along said South line and along a curve to the right having a radius of 370.00 feet, a central angle of 14°58'49", an arc distance of 96.74 feet to a point of tangency; thence S69°42'38"W and along said South line and along said tangent, 37.36 feet to the point of beginning, containing 0.821 acres, more or less.

Parcel O.

Commencing at the Southwest corner of said Tract A; thence N58°42'38"E and along the South line of said Tract A, 720.00 feet to a point of curve; thence along said South line and along a curve to the right having a radius of 330.00 feet, a central angle of 32°30'00", an arc distance of 187.19 feet to a point of tangency; thence S88°47'22"E and along said South line and along said tangent 110.00 feet to a point of curve; thence along said South line and along a curve to the left having a radius of 370.00 feet, a central angle of 21°30'00", an arc distance of 138.84 feet to a point of tangency; thence N69°42'38"E and along said South line 244.64 feet; thence N31°17'22"W, 233.61 feet to the point of beginning; thence N31°17'22"W, 200.00 feet; thence N58°42'38"E, 150.00 feet; thence S31°17'22"E, 200.00 feet; thence S58°42'38"W, 150.00 feet to the point of beginning, containing 0.689 acres, more or less.

Parcel P.

Commencing at the Southwest corner of said Tract A; thence N58°42'38"E and along the South line of said Tract A, 720.00 feet to a point of curve; thence along said South line and along a curve to the right having a radius of 330.00 feet, a central angle of 32°30'00", an arc distance of 187.19 feet to a point of tangency; thence S88°47'22"E and along said South line and along said tangent 110.00 feet to a point of curve; thence along said South line and along a curve to the left having a radius of 370.00 feet, a central angle of 21°30'00", an arc distance of 138.84 feet to the point of beginning; thence N41°17'22"W, 196.48 feet; thence N48°42'38"E, 172.63 feet; thence S31°17'22"E, 249.89 feet to a point on said South line; thence S69°42'38"W and along said South line 138.43 feet to the point of beginning, containing 0.779 acres, more or less.

Parcel Q.

Commencing at the Southwest corner of said Tract A, thence $N58^{\circ}42'38''E$ and along the South line of said Tract A, 720.00 feet to a point of curve; thence along said South line and along a curve to the right having a radius of 330.00 feet, a central angle of $32^{\circ}30'00''$, an arc distance of 187.19 feet to a point of tangency; $S88^{\circ}47'22''E$ and along said South line and along said tangent, 110.00 feet to a point of curve; thence along said South line and along a curve to the left having a radius of 370.00 feet, a central angle of $21^{\circ}30'00''$, an arc distance of 138.84 feet to a point of tangency; thence $N69^{\circ}42'38''E$ and along said South line 106.21 feet; thence $N41^{\circ}17'22''W$, 196.48 feet to the point of beginning; thence $N41^{\circ}17'22''W$, 217.00 feet; thence $N58^{\circ}42'38''E$, 207.69 feet; thence $S31^{\circ}17'22''E$, 183.73 feet; thence $S48^{\circ}42'38''W$, 172.63 feet to the point of beginning, containing 0.868 acres, more or less.

Parcel R.

Commencing at the Southwest corner of said Tract A; thence $H58^{\circ}42'38''E$ and along the South line of said Tract A, 720.00 feet to a point of curve; thence along said South line and along a curve to the right having a radius of 330.00 feet, a central angle of $32^{\circ}30'00''$, an arc distance of 187.19 feet to a point of tangency; thence $S88^{\circ}47'22''E$ and along said South line and along said tangent, 110.00 feet to a point of curve; thence along said South line and along a curve to the left having a radius of 370.00 feet, a central angle of $5^{\circ}15'54''$, an arc distance of 34.00 feet to the point of beginning; thence $N17^{\circ}44'20''W$, 101.21 feet; thence $N41^{\circ}17'22''W$, 73.24 feet; thence $N48^{\circ}42'38''E$, 150.00 feet; thence $S41^{\circ}17'22''E$, 254.93 feet to a point on said South line; thence $S69^{\circ}42'38''W$ and along said South line 106.21 feet to a point of curve; thence along said South line and along a curve to the right having a radius of 370.00 feet, a central angle of $16^{\circ}14'06''$, an arc distance of 104.84 feet to the point of beginning, containing 0.833 acres, more or less.

Parcel S.

Commencing at the Southwest corner of said Tract A; thence $N58^{\circ}42'38''E$ and along the South line of said Tract A, 720.00 feet to a point of curve; thence along said South line and along a curve to the right having a radius of 330.00 feet, a central angle of $32^{\circ}30'00''$, an arc distance of 187.19 feet to a point of tangency; thence $S88^{\circ}47'22''E$ and along said South line and along said tangent 110.00 feet to a point of curve; thence along said South line and along a curve to the left having a radius of 370.00 feet, a central angle of $5^{\circ}15'54''$, an arc distance of 34.00 feet; thence $N17^{\circ}44'20''W$, 101.21 feet; thence $N41^{\circ}17'22''W$, 73.24 feet to the point of beginning; thence $N41^{\circ}17'22''W$, 185.00 feet; thence $N58^{\circ}42'38''E$, 152.31 feet; thence $S41^{\circ}17'22''E$, 158.55 feet; thence $S48^{\circ}42'38''W$, 150.00 feet to the point of beginning, containing 0.592 acres, more or less.

EXHIBIT B
TO
AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR
DILLON VALLEY EAST CONDOMINIUM ASSOCIATION
(Allocated Interests)
Undivided ownership interest in the Common Elements
Common Expense Liability

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
101	A	1.50	0.0022
102	A	1.50	0.0022
103	A	1.90	0.0027
104	A	1.90	0.0027
105	A	1.50	0.0022
106	A	1.50	0.0022
201	A	1.50	0.0022
202	A	1.50	0.0022
203	A	1.90	0.0027
204	A	1.90	0.0027
205	A	1.50	0.0022
206	A	1.50	0.0022
301	A	1.50	0.0022
302	A	1.50	0.0022
303	A	1.90	0.0027
304	A	1.90	0.0027
305	A	1.50	0.0022
306	A	1.50	0.0022
101	B	2.50	0.0036
102	B	2.50	0.0036
103	B	1.50	0.0022
104	B	1.50	0.0022
105	B	1.90	0.0027
106	B	1.90	0.0027
201	B	2.50	0.0036

¹ The Original Declaration used the same percentage Common Expense and voting factors as additional phases and units were brought into the community. These percentages were “deemed” to total 100%, but in reality, they totaled 692%. We reduced the fraction to total 100% as contemplated by Colorado law. Your percentages do not change beyond differences in rounding.

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
202	B	2.50	0.0036
203	B	1.50	0.0022
204	B	1.50	0.0022
205	B	1.90	0.0027
206	B	1.90	0.0027
301	B	2.50	0.0036
302	B	2.50	0.0036
303	B	1.50	0.0022
304	B	1.50	0.0022
305	B	1.90	0.0027
306	B	1.90	0.0027
101	C	1.50	0.0022
102	C	1.50	0.0022
103	C	1.50	0.0022
104	C	1.50	0.0022
201	C	1.50	0.0022
202	C	1.50	0.0022
203	C	1.50	0.0022
204	C	1.50	0.0022
301	C	1.50	0.0022
302	C	1.50	0.0022
303	C	1.50	0.0022
304	C	1.50	0.0022
101	D	1.50	0.0022
102	D	1.50	0.0022
103	D	1.90	0.0027
104	D	1.90	0.0027
201	D	1.50	0.0022
202	D	1.50	0.0022
203	D	1.90	0.0027
204	D	1.90	0.0027
301	D	1.50	0.0022
302	D	1.50	0.0022
303	D	1.90	0.0027
304	D	1.90	0.0027

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
101	E	1.90	0.0027
102	E	1.90	0.0027
103	E	1.50	0.0022
104	E	1.50	0.0022
105	E	2.50	0.0036
106	E	2.50	0.0036
201	E	1.90	0.0027
202	E	1.90	0.0027
203	E	1.50	0.0022
204	E	1.50	0.0022
205	E	2.50	0.0036
206	E	2.50	0.0036
301	E	1.90	0.0027
302	E	1.90	0.0027
303	E	1.50	0.0022
304	E	1.50	0.0022
305	E	2.50	0.0036
306	E	2.50	0.0036
101	F	1.50	0.0022
102	F	1.50	0.0022
103	F	2.50	0.0036
104	F	2.50	0.0036
201	F	1.50	0.0022
202	F	1.50	0.0022
203	F	2.50	0.0036
204	F	2.50	0.0036
301	F	1.50	0.0022
302	F	1.50	0.0022
303	F	2.50	0.0036
304	F	2.50	0.0036
101	G	1.90	0.0027
102	G	1.90	0.0027
103	G	1.50	0.0022
104	G	1.50	0.0022
105	G	2.50	0.0036
106	G	2.50	0.0036

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
201	G	1.90	0.0027
202	G	1.90	0.0027
203	G	1.50	0.0022
204	G	1.50	0.0022
205	G	2.50	0.0036
206	G	2.50	0.0036
301	G	1.90	0.0027
302	G	1.90	0.0027
303	G	1.50	0.0022
304	G	1.50	0.0022
305	G	2.50	0.0036
306	G	2.50	0.0036
101	H	1.50	0.0022
102	H	1.50	0.0022
103	H	1.90	0.0027
104	H	1.90	0.0027
105	H	1.50	0.0022
106	H	1.50	0.0022
201	H	1.50	0.0022
202	H	1.50	0.0022
203	H	1.90	0.0027
204	H	1.90	0.0027
205	H	1.50	0.0022
206	H	1.50	0.0022
301	H	1.50	0.0022
302	H	1.50	0.0022
303	H	1.90	0.0027
304	H	1.90	0.0027
305	H	1.50	0.0022
306	H	1.50	0.0022
101	I	1.90	0.0027
102	I	1.90	0.0027
103	I	1.50	0.0022
104	I	1.50	0.0022
105	I	2.50	0.0036
106	I	2.50	0.0036

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
201	I	1.90	0.0027
202	I	1.90	0.0027
203	I	1.50	0.0022
204	I	1.50	0.0022
205	I	2.50	0.0036
206	I	2.50	0.0036
301	I	1.90	0.0027
302	I	1.90	0.0027
303	I	1.50	0.0022
304	I	1.50	0.0022
305	I	2.50	0.0036
306	I	2.50	0.0036
101	J	0.86	0.0012
102	J	0.86	0.0012
103	J	0.86	0.0012
104	J	0.86	0.0012
105	J	0.86	0.0012
106	J	0.86	0.0012
107	J	0.86	0.0012
108	J	0.86	0.0012
109	J	0.86	0.0012
110	J	0.86	0.0012
201	J	0.86	0.0012
202	J	0.86	0.0012
203	J	0.86	0.0012
204	J	0.86	0.0012
205	J	0.86	0.0012
206	J	0.86	0.0012
207	J	0.86	0.0012
208	J	0.86	0.0012
209	J	0.86	0.0012
210	J	0.86	0.0012
101	N	1.5	0.0022
102	N	1.5	0.0022
103	N	1.9	0.0027
104	N	1.9	0.0027

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
105	N	1.5	0.0022
106	N	1.5	0.0022
201	N	1.5	0.0022
202	N	1.5	0.0022
203	N	1.9	0.0027
204	N	1.9	0.0027
205	N	1.5	0.0022
206	N	1.5	0.0022
301	N	1.5	0.0022
302	N	1.5	0.0022
303	N	1.9	0.0027
304	N	1.9	0.0027
305	N	1.5	0.0022
306	N	1.5	0.0022
101	O	1.5	0.0022
102	O	1.5	0.0022
103	O	1.9	0.0027
104	O	1.9	0.0027
105	O	1.5	0.0022
106	O	1.5	0.0022
201	O	1.5	0.0022
202	O	1.5	0.0022
203	O	1.9	0.0027
204	O	1.9	0.0027
205	O	1.5	0.0022
206	O	1.5	0.0022
301	O	1.5	0.0022
302	O	1.5	0.0022
303	O	1.9	0.0027
304	O	1.9	0.0027
305	O	1.5	0.0022
306	O	1.5	0.0022
101	P	1.5	0.0022
102	P	1.5	0.0022
103	P	1.9	0.0027
104	P	1.9	0.0027

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
105	P	1.5	0.0022
106	P	1.5	0.0022
201	P	1.5	0.0022
202	P	1.5	0.0022
203	P	1.9	0.0027
204	P	1.9	0.0027
205	P	1.5	0.0022
206	P	1.5	0.0022
301	P	1.5	0.0022
302	P	1.5	0.0022
303	P	1.9	0.0027
304	P	1.9	0.0027
305	P	1.5	0.0022
306	P	1.5	0.0022
101	Q	1.5	0.0022
102	Q	1.5	0.0022
103	Q	1.9	0.0027
104	Q	1.9	0.0027
105	Q	1.5	0.0022
106	Q	1.5	0.0022
201	Q	1.5	0.0022
202	Q	1.5	0.0022
203	Q	1.9	0.0027
204	Q	1.9	0.0027
205	Q	1.5	0.0022
206	Q	1.5	0.0022
301	Q	1.5	0.0022
302	Q	1.5	0.0022
303	Q	1.9	0.0027
304	Q	1.9	0.0027
305	Q	1.5	0.0022
306	Q	1.5	0.0022
101	R	1.5	0.0022
102	R	1.5	0.0022
103	R	1.9	0.0027
104	R	1.9	0.0027

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
105	R	1.5	0.0022
106	R	1.5	0.0022
201	R	1.5	0.0022
202	R	1.5	0.0022
203	R	1.9	0.0027
204	R	1.9	0.0027
205	R	1.5	0.0022
206	R	1.5	0.0022
301	R	1.5	0.0022
302	R	1.5	0.0022
303	R	1.9	0.0027
304	R	1.9	0.0027
305	R	1.5	0.0022
306	R	1.5	0.0022
101	S	1.5	0.0022
102	S	1.5	0.0022
103	S	1.9	0.0027
104	S	1.9	0.0027
105	S	1.5	0.0022
106	S	1.5	0.0022
201	S	1.5	0.0022
202	S	1.5	0.0022
203	S	1.9	0.0027
204	S	1.9	0.0027
205	S	1.5	0.0022
206	S	1.5	0.0022
301	S	1.5	0.0022
302	S	1.5	0.0022
303	S	1.9	0.0027
304	S	1.9	0.0027
305	S	1.5	0.0022
306	S	1.5	0.0022
101	T	1.90	0.0027
102	T	1.90	0.0027
103	T	1.50	0.0022
104	T	1.50	0.0022

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
105	T	2.50	0.0036
106	T	2.50	0.0036
201	T	1.90	0.0027
202	T	1.90	0.0027
203	T	1.50	0.0022
204	T	1.50	0.0022
205	T	2.50	0.0036
206	T	2.50	0.0036
301	T	1.90	0.0027
302	T	1.90	0.0027
303	T	1.50	0.0022
304	T	1.50	0.0022
305	T	2.50	0.0036
306	T	2.50	0.0036
101	U	2.50	0.0036
102	U	2.50	0.0036
103	U	1.50	0.0022
104	U	1.50	0.0022
201	U	2.50	0.0036
202	U	2.50	0.0036
203	U	1.50	0.0022
204	U	1.50	0.0022
301	U	2.50	0.0036
302	U	2.50	0.0036
303	U	1.50	0.0022
304	U	1.50	0.0022
101	V	1.50	0.0022
102	V	1.50	0.0022
103	V	2.50	0.0036
104	V	2.50	0.0036
201	V	1.50	0.0022
202	V	1.50	0.0022
203	V	2.50	0.0036
204	V	2.50	0.0036
301	V	1.50	0.0022
302	V	1.50	0.0022

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
303	V	2.50	0.0036
304	V	2.50	0.0036
101	W	2.50	0.0036
102	W	2.50	0.0036
103	W	1.50	0.0022
104	W	1.50	0.0022
201	W	2.50	0.0036
202	W	2.50	0.0036
203	W	1.50	0.0022
204	W	1.50	0.0022
301	W	2.50	0.0036
302	W	2.50	0.0036
303	W	1.50	0.0022
304	W	1.50	0.0022
101	X	1.50	0.0022
102	X	1.50	0.0022
103	X	1.90	0.0027
104	X	1.90	0.0027
105	X	1.50	0.0022
106	X	1.50	0.0022
201	X	1.90	0.0027
202	X	1.90	0.0027
203	X	1.50	0.0022
204	X	1.50	0.0022
205	X	1.90	0.0027
206	X	1.90	0.0027
301	X	1.50	0.0022
302	X	1.50	0.0022
303	X	1.90	0.0027
304	X	1.90	0.0027
305	X	1.50	0.0022
306	X	1.50	0.0022
101	Y	1.50	0.0022
102	Y	1.50	0.0022
103	Y	1.90	0.0027

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
104	Y	1.90	0.0027
105	Y	1.50	0.0022
106	Y	1.50	0.0022
201	Y	1.90	0.0027
202	Y	1.90	0.0027
203	Y	1.50	0.0022
204	Y	1.50	0.0022
205	Y	1.90	0.0027
206	Y	1.90	0.0027
301	Y	1.50	0.0022
302	Y	1.50	0.0022
303	Y	1.90	0.0027
304	Y	1.90	0.0027
305	Y	1.50	0.0022
306	Y	1.50	0.0022
101	Z	1.50	0.0022
102	Z	1.50	0.0022
103	Z	1.90	0.0027
104	Z	1.90	0.0027
105	Z	1.50	0.0022
106	Z	1.50	0.0022
201	Z	1.50	0.0022
202	Z	1.50	0.0022
203	Z	1.90	0.0027
204	Z	1.90	0.0027
205	Z	1.50	0.0022
206	Z	1.50	0.0022
301	Z	1.50	0.0022
302	Z	1.50	0.0022
303	Z	1.90	0.0027
304	Z	1.90	0.0027
305	Z	1.50	0.0022
306	Z	1.50	0.0022
101	AA	1.50	0.0022
102	AA	1.50	0.0022
103	AA	1.50	0.0022

Unit	Building	Common Expense and Voting Percentage Factor in original documents¹	Allocated Interest in Common Expenses and Common Elements and Voting Weight
104	AA	1.50	0.0022
201	AA	1.50	0.0022
202	AA	1.50	0.0022
203	AA	1.50	0.0022
204	AA	1.50	0.0022
301	AA	1.50	0.0022
302	AA	1.50	0.0022
303	AA	1.50	0.0022
304	AA	1.50	0.0022
101	BB	1.50	0.0022
102	BB	1.50	0.0022
103	BB	1.90	0.0027
104	BB	1.90	0.0027
201	BB	1.50	0.0022
202	BB	1.50	0.0022
203	BB	1.90	0.0027
204	BB	1.90	0.0027
301	BB	1.50	0.0022
302	BB	1.50	0.0022
303	BB	1.90	0.0027
304	BB	1.90	0.0027