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CONDOMINIUM DECLARATION

FOR

LOFTS AT DOLORES PARK

Carbondale, Colorado

[Amended January 31, 2018]

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CONDOMINIUM DECLARATION

FOR

LOFTS AT DOLORES PARK

(Carbondale, Colorado)

KNOW ALL MEN BY THESE PRESENTS that Lofts @ Dolores Park Association, a Colorado not-for-profit corporation, which consists of the owners of that certain real property shown on the recorded plat of the Lofts @ Dolores Park, recorded at Reception No. 766444 of the records of Garfield County, Colorado, pursuant to the Condominium Declaration for Lofts @ Dolores Park recorded at 753184, and amended by Amendments to the Declaration recorded in the real property records of Garfield County, Colorado, at Reception Nos. 795348 and 795349, upon approval of more than sixty-seven percent (67%) of the votes entitled to be cast by the members of the Association, hereby AMEND, REPLACE and RESTATE in their entirety the aforementioned sets of Declaration and Amendments so that the following covenants, conditions and restrictions shall attach to the aforementioned real property and to every unit contained in the Lofts @ Dolores Park and shall constitute binding covenants running with the land and be binding upon all parties acquiring any interest therein or thereto.

ARTICLE I - RECITALS

Section 1.1. The Association. Lofts @ Dolores Park Association (the "Association") is a not for profit corporation duly organized under the Colorado Revised Non-Profit Corporation Act and existing under and by virtue of the laws of the State of Colorado. The Association shall manage the Community in accordance with the provisions of this Declaration and the Colorado Common Interest Ownership Act §§ 38-33.3-101, et seq. of the Colorado Revised Statutes, as it may be amended from time to time (the "Act").

Section 1.2. The Property. The real property originally submitted to this Declaration, including all easements, rights-of-way and appurtenances thereto and the buildings and improvements erected thereon, is located in the Town of Carbondale, County of Garfield, State of Colorado, and is described, as follows:

LOT 12A KAY PLANNED UNIT DEVELOPMENT, ACCORDING TO THE FINAL SUBDIVISION PLAT OF KAY PLANNED UNIT DEVELOPMENT, PHASE 2, AMENDED FINAL PLAT OF LOTS 7,8 AND 12 KAY PLANNED UNIT DEVELOPMENT, PHASE 2, AND FIRST AMENDED PLAT OF LOT 12 KAY PLANNED UNIT DEVELOPMENT, RECORDED AS RECEPTION NO. 669149 OF THE GARFIELD COUNTY, COLORADO RECORDS

The real property subject to this Declaration, including all easements, rights-of-ways and appurtenances thereto and the buildings and improvements erected thereon, is now more specifically described as follows, or as may be modified from time to time and approved by the Town of Carbondale:

LOT 12A, A.K.A. LOFTS @ DOLORES PARK, ACCORDING TO THE FIRST

AMENDED FINAL PLAT OF LOFTS @ DOLORES PARK & 12B, KAY
P.U.D., PHASE 2, RECORDED AS RECEPTION NO. 766444,

(the "Property"). Lot 12B of the Kay P.U.D., Phase 2, depicted on said Plat is not part of the Property and is not subject to this Declaration.

Section 1.3. The Development. The Property is developed as a mixed-use condominium project, consisting of one (1) 3-story building with Commercial Units on the ground floor and Residential Units on the second and third floors, pursuant to approvals granted by the Town of Carbondale Planning and Zoning Commission in its Resolution No. 4, Series of 2007 (the "PUD Resolution") and its amendments.

Section 1.4. The Community. The Development is a common interest community within the meaning of the Colorado Common Interest Ownership Act §§ 38-33.3-101, et seq. of the Colorado Revised Statutes, as it may be amended from time to time (the "Act"). The Development is a "condominium," within the meaning of the Act. The Development is located, in its entirety, within Garfield County, Colorado.

Section 1.5. The Name of the Community. The name of the common interest community is LOFTS @ DOLORES PARK.

Section 1.6. The Condominium Map. The Development is depicted on the First Amended Final Plat of Lofts @ Dolores Park & 12B, Kay P.U.D., Phase 2, recorded as Reception No 766444 of the Garfield County, Colorado records, and any amendments made to it and approved by the Town of Carbondale.

Section 1.7. Maximum Number of Units. The Community shall include nine (9) Residential Units and six (6) Commercial Units. All Commercial Units shall be confined to the ground floor and all Residential Units shall be confined to the upper levels of the Buildings.

Section 1.8. The Purpose. The purpose of this Declaration is to create a common interest community under the name of Lofts @ Dolores Park, in which portions of said Property will be designated for separate ownership and use by means of the condominium form of ownership, for residential and commercial purposes, and in which the remainder of said Property will be designated for common ownership solely by the owners of the separate ownership portions, and to further the interests of the Community, to protect and enhance the property values, and to otherwise effectuate the terms and provisions of the Act.

ARTICLE II-DEFINITIONS

The following terms shall have the following meanings when used herein unless the context otherwise requires:

Section 2.1. Act. The "Act" means the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, et seq.

Section 2.2. Affordable Housing Units. "Affordable Housing Units" means the Residential Units that are affordable housing units designated as such on the Condominium Map; and, which

are subject to the Housing Authority Guidelines set forth in the Development Approvals, or as may be amended and approved by the Town of Carbondale.

Section 2.3. Association. "Association" means and refers to LOFTS @ DOLORES PARK ASSOCIATION, a Colorado not for profit corporation.

Section 2.4. Building(s). "Building" or "Buildings" means the building improvements in which the Units are located.

Section 2.5. Commercial Units. "Commercial Units" means and includes all the Units located on the main floor (ground level) of a Building.

Section 2.6. Common Elements. "Common Elements" means and includes all parts of the Property, grounds, improvements, installations and facilities which are not included within a Unit.

Section 2.7. Common Expenses. "Common Expenses" means and refers to expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 2.8. Community. "Community" means and includes all the Property submitted to this Declaration.

Section 2.9. Condominium Map. "Condominium Map" means the Lofts @ Dolores Park Condominium Exemption Map, referenced in Section 1.6, above, and any supplements or amendments thereto.

Section 2.10. DRB. "DRB" means the Lofts @ Dolores Park Design Review Board.

Section 2.11. Executive Board. "Executive Board" means the Executive Board of the Association.

Section 2.12. Free Market Units. "Free Market Units" means any Unit that is not an Affordable Housing Unit or a Market Restricted Unit.

Section 2.13. General Common Elements. "General Common Elements" means the Common Elements, exclusive of the Limited Common Elements.

Section 2.14. Housing Authority. "Housing Authority" means the Carbondale Housing Authority.

Section 2.15. Limited Common Elements. "Limited Common Elements" means that portion of the Common Elements allocated by the Declaration or the Condominium Map for the exclusive use of one or more, but fewer than all of the Units.

Section 2.16. Market Restricted Units. "Market Restricted Units" means the Units designated as such on the Condominium Map, which are subject to certain restrictions on how they must be marketed when they are sold, as set forth in the Development Approvals.

Section 2.17. Mortgage. "Mortgage" means and refers to any mortgage, deed of trust or other

security instrument by which a Unit or any part thereof is encumbered.

Section 2.18. Mortgagee. "Mortgagee" means and refers to any person or entity named as a mortgagee or beneficiary under any deed of trust or mortgage under which the interest of any Owner is encumbered.

Section 2.19. Owner. "Owner" or "Unit Owner" means and refers to any person or entity at any time owning a Unit.

Section 2.20. PUD Resolution. "PUD Resolution" means the resolution of the Planning and Zoning Commission of the Town of Carbondale, Resolution No. 4 Series of 2007.

Section 2.21. Property. "Property" means the property described in Section 1.2. above, all of which is submitted to this Declaration.

Section 2.22. Qualified Buyers and Renters. "Qualified Buyers and Renters" means natural persons who meet the definition as set forth in the Housing Authority Guidelines of the Housing Authority of Garfield County or other guidelines as may be adopted by the Town of Carbondale.

Section 2.23. Registered Agent. "Registered Agent" means the Association's President, or President's designee acting on behalf of the Association.

Section 2.24. Residential Units. "Residential Units" means and includes all of the Units located above the main floor on the two (2) upper levels (the second and third floors) of a Building, consisting of both "Free Market Units," "Market Restricted Units," and "Affordable Housing Units."

Section 2.25. Unit. "Unit" means a physical portion of the Property consisting of airspace designated for separate ownership and shall refer to any of the numbered Units shown on the Condominium Map, as the same may be amended from time to time.

ARTICLE III- CONDOMINIUM OWNERSHIP

Section 3.1. Separate Interests. The Property shown on the Condominium Map is hereby divided into Common Elements and separate fee simple interests in the individual Units depicted thereon. The ownership of a Unit includes and is subject to the easements, rights, and obligations created by this Declaration and the Bylaws of the Association.

Section 3.2. Title. Title to a Commercial Unit or Free Market Unit may be held or owned by any person or entity in any manner by which title to any other real property may be held or owned in the State of Colorado. Title to and use and occupancy of an Affordable Housing Unit is limited exclusively to Qualified Buyers and Renters. Each Affordable Housing Unit and Market Restricted Unit may only be used for residential purposes and may only be sold and resold or rented pursuant to the terms of its deed restrictions and/or the marketing plan approved by the Town of Carbondale and recorded as Reception No. 753180 of the Garfield County, Colorado records, dated July 29, 2008.

Section 3.3. Enjoyment of Common Elements. Subject to the limitations contained in this

Declaration, every Owner shall have the nonexclusive right to use and enjoy the General Common Elements and the exclusive right to use and enjoy those Limited Common Elements designated by the Condominium Map or this Declaration as appurtenant to his Unit. Limited Common Elements designated by the Condominium Map or this Declaration as appurtenant to more than one, but fewer than all of the Units shall vest each of the Units so designated with the nonexclusive right to use and enjoy those Limited Common Elements.

Section 3.4. Inseparability. Every conveyance, transfer, gift, devise, encumbrance, or other disposition of a Unit, or any part thereof (other than an undivided interest in the whole), shall be presumed to be a conveyance, transfer, gift, devise, encumbrance, or disposition, as the case may be, of the entire Unit, together with all appurtenant rights created by this Declaration. No part of a Unit or of the legal rights appurtenant thereto may be separated from any other part thereof.

Section 3.5. No Partition. No Owner may bring any action for partition of the Common Elements.

Section 3.6. Separate Titles and Taxation. Each Unit, together with its interest in the Common Elements, constitutes for all purposes a separate parcel of real estate and must be separately assessed and taxed. The value of the Common Elements shall be assessed proportionately to each Unit in accordance with such Unit's allocated interest in the Common Elements. The Common Elements shall not be separately taxed or assessed. All taxes, assessments, and other charges of the State, or any political subdivision, or of any special improvement district, or of any other taxing or assessing authority shall be assessed against and collected on each Unit, each of which shall be carried on the tax rolls as a separate and distinct parcel for that purpose. No forfeiture or sale of any Unit for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title of the other Units.

Section 3.7. Mechanic's Lien Rights. No labor performed or materials furnished for use in connection with any Unit with the consent or at the request of an Owner, his agent, or subcontractor shall create any Mechanic's Lien or right to file a statement of Mechanic's Lien against the Unit of any other Owner, or against any interest in the Common Elements.

Section 3.8. Description of Units. Every deed for the conveyance of a Unit and every other instrument affecting title to a Unit shall identify the County in which the Unit is located and may describe that Unit by the number shown on the Condominium Map with appropriate reference to the Condominium Map and to this Declaration, as each shall appear in the records of Garfield County, Colorado, in the following fashion:

UNIT _____

LOFTS @ DOLORES PARK, according to the Condominium Map
recorded as Reception No. 753183, and subject to the
Amended and Restated Condominium Declaration recorded as Reception
No. _____ of the Garfield County, Colorado, records.

In the case of Affordable Housing Units, the Unit number shall be followed by the letters "AH." In the case of Market Restricted Units, the Unit number shall be followed by the letters "MR."

ARTICLE IV - EASEMENTS ENCROACHMENTS

Section 4.1. Condominium Map Dedications. In addition to the easements described in this Article IV and elsewhere in this Declaration, all dedicated easements described in the attached Exhibit A and/or shown on the Condominium Map or provided herein are hereby dedicated or reserved for the purposes intended.

Section 4.2. Enjoyment and Access. Every Owner shall have a non-exclusive right and an easement appurtenant to such Owner's Unit for the enjoyment and use of the Common Elements and for access to such Owner's Unit and the Limited Common Elements appurtenant to said Unit, including an easement for ingress and egress for pedestrian traffic over, through, and across sidewalks, paths, walks, and lanes as the same may from time to time exist upon the Common Elements and for pedestrian and vehicle traffic over, through, and across such roads, drives and parking areas as may, from time to time, be paved and intended for such purposes.

Section 4.3. Utilities. The Property shall be subject to a blanket easement in favor of the Association over, across, and through the Common Elements to install, repair, replace, and maintain all utilities, including, without limitation, water, sewer, gas, telephone, electricity, telecommunications and internet services and cable TV ("utility service lines"). The Units themselves shall be subject to easements in favor of the Association to maintain, repair, replace or reconstitute common utility service lines, fixtures, equipment and facilities serving the Units and/or the Common Elements.

Section 4.4. Maintenance Easement. The Common Elements, and to the extent necessary, the Units themselves, shall be subject to a non-exclusive right and easement in the Association, including its agents, employees, contractors, and subcontractors, as may be necessary or appropriate for maintenance and repairs and the performance of such other duties and functions as the Association is permitted or obligated to perform under this Declaration.

Section 4.5. Ventilation Chase (Exhaust and Make-Up Air) and Photo Voltaic System Easements. Those Commercial Units located within twenty-five (25) feet of any existing ventilation chase or photo voltaic system forming a part of the General Common Elements shall carry an easement to access, connect to and use such existing ventilation chase for exhaust and make-up air handling purposes or for maintenance and repair of the photo voltaic system, provided that, the Owner shall obtain all necessary permits and licenses, shall comply with all applicable laws, rules, regulations and codes, the connection shall not interfere with any easement or the structural integrity of any part of the Common Elements or impair any pre-existing use of the ventilation chase or photo voltaic system. Prior to any such connection, appropriate plans and specifications shall be submitted to the Executive Board and the DRB. No such connection shall be made without the prior written approval of the Executive Board and the DRB, which approval shall not be unreasonably withheld. Subject to Section 5.1 following, no right shall exist to encroach upon the airspace of any other unit for purpose of such connection

Section 4.6. Encroachments. If a Unit shall encroach upon any other Unit by reason of original construction or by the non-purposeful or non-negligent act of the Owner, then an easement appurtenant to such encroaching Unit, to the extent of such encroachment, shall exist so long as such encroachment shall exist. If any Common Element shall encroach upon any Unit by reason of original construction, or the non-purposeful or non-negligent act of the Association, then an easement appurtenant to such Common Element to the extent of such encroachment shall exist so long as such encroachment shall exist.

Section 4.7. Constructive Grant of Reciprocal Easements. All conveyances of Units shall be construed to grant and reserve such reciprocal easements as shall give effect to the preceding Sections of this Article, even though no specific reference to such easements appear in the conveyance. Such easements and covenants are intended and hereby are declared to run with the land and to be appurtenant to the respective Units, and each of them.

ARTICLE V - BOUNDARIES AND COMMON ELEMENTS

Section 5.1. Unit Boundaries. The boundaries of each Unit are shown on the Condominium Map.

(a) Unit boundaries of Residential Units consist of the airspace within unfinished interior walls, drywall to drywall, subflooring to bottom of the units' lowest ceiling structural element, provided that all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint and finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all other portions of the walls, floors or ceilings are a part of the Common Elements.

(b) The boundaries of the Commercial Units are the areas bounded by unfinished surfaces, the exterior wall unfinished interior surface to the vertical structure column inside face, top of subgrade to bottom of the unit's lowest ceiling structural element.

(c) If any chute, flue, duct, wire, cable, conduit, bearing wall, bearing column or other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit, serving any other Unit or serving any portion of the Common Elements, is a part of the General Common Elements, EXCEPT THAT heating, cooling and ventilating systems ("HVAC Systems") and other equipment, the use of which is limited to Residential Units, are Limited Common Elements allocated to the Residential Units served thereby, and provided further, that HVAC Systems and other equipment, the use of which is limited to Commercial Units are Limited Common Elements allocated to the Commercial Units served thereby.

(d) Subject to the provisions of paragraph (c) of this Section 5.1, all spaces, interior partitions and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

(e) Any shutters, awnings, window boxes, doorsteps, stoops, porches, terraces, balconies and patios 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 whether located inside or outside the Unit's boundaries.

Section 5.2. Allocation of Limited Common Elements. In addition to the Limited Common Elements identified in Sections 5.1(c) and 5.1(e) above, the following portions of the Common Elements are designated Limited Common Elements and assigned to the Unit or Units so designated:

(a) The elevators, stairs and stairwells extending from the main floor (ground level) to the upper levels and all upper floor stairways, stairwells, and hallways are designated Limited Common Elements and allocated to the Residential Units served thereby, provided however, that stairs and stairwells shall be subject to a general access easement appurtenant to of the Commercial Units for the

limited purpose of maintaining, servicing and repairing Limited Common Elements appurtenant to such Units.

(b) The utility areas, the use of which is limited to Residential Units are designated Limited Common Elements and allocated to the Residential Units served thereby.

(c) The utility areas, the use of which is limited to Commercial Units are designated Limited Common Elements and allocated to the Commercial Units served thereby.

(d) Any balcony or other terrace designated a Limited Common Element is allocated to the particular Unit designated on the Condominium Map.

(e) Any other portion of the Common Elements, designated a Limited Common Element is allocated to the particular Unit or Units designated on the Condominium Map.

Section 5.3. Reallocation of Limited Common Elements. A Limited Common Element may be reallocated by the Association between or among Units only to the extent permitted and in the manner authorized by the Act. Likewise, a Common Element not previously allocated as a Limited Common Element may be allocated as a Limited Common Element by the Association only to the extent permitted and in the manner authorized by the Act.

ARTICLE VI- MAINTENANCE AND REPAIRS

Section 6.1. Owner's Duties - Units and Limited Common Elements. Each Owner shall be responsible for maintenance and repair of such Owner's Unit and all Limited Common Elements exclusively serving such Unit, including fixtures and improvements and all utility lines and equipment located within and serving only such Unit. Each Owner shall, at all times, maintain and keep in good condition and repair, said Owner's Unit and all Limited Common Elements serving such Unit. In performing such maintenance or repair, or in improving or altering a Unit, an Owner shall obtain all necessary permits and licenses, and shall comply with all applicable laws, rules and regulations, including the Rules and Regulations of the Association. Notwithstanding the foregoing, no Owner shall do any maintenance, repair or improvement work that impairs the structural soundness of the Building in which such Owner's Unit is located or that interferes with any easement. No Owner shall change or alter the appearance or the structural integrity of any Limited Common Element without the written permission of the Association. No Owner shall have the right to make or cause to be made any additions, alterations or repairs to the General Common Elements.

Section 6.2. Association's Duties - Common Elements. The Association shall be responsible for the maintenance and repair of all the Common Elements, except for those Limited Common Elements appurtenant to a single Unit. Without limiting the generality of the foregoing, the Association shall provide lawn, grounds and landscaping care, shall water, trim, prune and winter wrap trees and shrubs, maintain and operate the raw water irrigation system for the benefit of the Community and otherwise maintain and keep in good repair and condition all sidewalks, yards, grounds, greenbelt areas, all drives, all parking lots and facilities, traffic control devices and signage, recreational equipment, if any, and all other improvements and facilities which form a part of the General Common Elements. The Association shall provide for the removal of snow from steps, stairs, walkways, sidewalks, roadways, drives and parking areas which form a part of the General Common Elements. The Association shall provide for the removal of snow and ice from the roofs and gutters, as and when necessary or otherwise advisable. The

Association shall maintain the Common Elements to substantially the same or better standards as originally installed.

Section 6.3. Maintenance Costs - Common Elements. The costs of the maintenance, repair and upkeep of the General Common Elements shall be a Common Expense of all the Owners. At the discretion of the Executive Board, any such costs attributable to any Limited Common Element allocated to the Residential Units may be assessed exclusively to those Residential Units served thereby, and any such costs attributable to any Limited Common Element allocated to the Commercial Units may be assessed exclusively to those Commercial Units served thereby. Further, the cost of maintenance, repair and upkeep of any of the General Common Elements necessitated by excessive wear or abuse caused by or attributable to the Owner or Owners of one or more of the Units, may by resolution adopted by the Executive Board, be assessed to the Owner or Owners responsible for the excessive wear or abuse in such proportions as the Executive Board reasonably determines to be proper.

Section 6.4. Parking Spaces. A minimum of one parking space for each Residential Unit shall be designated and by the Association. No more than two vehicles will be allowed per Residential Unit unless specifically authorized by the Association after it is determined adequate additional parking is available. The storage of recreational vehicles, campers, motor homes, trailers, boats or other similar vehicles, whether motorized or not, is prohibited. If the Association wishes to amend any of the above-stated provisions regarding parking, the amendment must be approved pursuant to Section 14.5 and by the Town of Carbondale. Notwithstanding anything herein contained to the contrary, all parking spaces and parking areas shall be maintained by the Association. The Association shall keep and maintain the markings and striping which delineates the parking spaces in good condition and repair. The Association shall maintain all parking spaces and parking areas in a uniform manner and all such costs shall be assessed as provided in Section 7.8 below. The Association shall have right to implement rules and regulations regarding the use of the parking areas, including the designation of specific parking spaces for the exclusive use of specific Units.

Section 6.5. Association's Right of Access. The Association shall have the right of access to any Unit, at any time, for the purpose of making emergency repairs necessary to prevent damage to the Common Elements or to another Unit or Units and the right of access to any Unit at reasonable times to perform routine maintenance and repairs upon the Common Elements. The costs of repairing any damage to a Unit resulting from entry therein for the purpose of repairing or maintaining the Common Elements or preventing damage to the Common Elements or another Unit, shall be a Common Expense of all the Owners. The costs of repairing any damage to a Unit resulting from entry therein for the purpose of repairing or maintaining a Limited Common Element shall be charged to the Owner of the Unit or Units served by such Limited Common Element.

Section 6.6. Snow Removal. No Owner of any Unit shall allow any snow or ice to accumulate or remain upon any terrace or balcony which constitutes a Limited Common Element appurtenant exclusively to his Unit, for more than twenty-four (24) hours from the time the latest accumulation of snow has occurred. Should the Owner fail to remove the snow in compliance with the provisions of this Section, the Association shall have the right to access any such terrace or balcony at reasonable hours, through the Unit or otherwise, in order to perform the snow removal function mentioned. The costs of performing the snow removal function by reason of the Owner's neglect or failure to maintain the same, shall be charged to the Owner of the Unit to which the deck or balcony is allocated as a Limited Common Element. The Association may also levy a fine or successive fines in accordance with such Rules and Regulations as the Executive Board may adopt. (The purpose of this provision is to minimize

or eliminate the discharge or release of waters from snow melt dripping from the upper terraces or balconies which may damage the Common Elements, damage another Unit, pose a hazard by the buildup of ice on walkways below or inconvenience persons passing below). Snow removal shall be effected so as not to place snow on the Common Elements in a manner which will interfere with the use thereof.

Section 6.7. Owner Caused Damage. Notwithstanding the foregoing, if damage to the Common Elements or to any Unit is caused by the negligence or intentional act of an Owner or if entry into a Unit is required because of any negligence or intentional act on the part of an Owner, such Owner shall pay, or reimburse the Association, for all costs of repairing such damage and shall be liable to the Association and the other Owners for all additional losses or expenses suffered as a result of his negligence or intentional acts, including without limitation, reasonable attorney's fees.

Section 6.8. Association's Right to Maintain. If in the judgment of the Executive Board, any Owner has failed to keep and maintain his Unit, or any Limited Common Element serving his Unit exclusively, in good condition and repair, the Association may, after thirty (30) days notice to the Owner, perform all work necessary to maintain the Unit or the Limited Common Element in good condition and repair and the Association shall have access to the Unit for such purposes. The Owner shall reimburse the Association for the cost of such work, and any such costs may be collected in the same manner as assessments under this Declaration and the Act.

Section 6.9. Landscaping and Lawn Care. Any landscaping in addition to that provided in connection with the initial construction of the buildings shall be at the discretion of the Association and subject to the prior approval of the DRB, which may assess a review fee.

Section 6.10. Owner Responsibility. Any maintenance or repair required by reason of the willful or negligent act of the Owner, members of his family or guests, tenants or occupants of the Owner's Unit, shall be attributed to the Owner and shall be the responsibility and obligation of such Owner. The Association shall have the right to perform any such maintenance or repairs and recover the costs incurred from the Owner responsible.

Section 6.11. Determination of Obligation and Supervision. The responsibility for the performance of any maintenance, repair, lawn care, snow removal or other work not expressly delineated above shall be determined by the Association. In the event any dispute should arise as to the construction or interpretation of the foregoing Sections, the determination with regard thereto made by the Association shall be conclusive. The Association shall have the right to prescribe minimum standards with regard to an Owner's performance of any maintenance for which the Owner is responsible. The Owner shall comply with all guidelines and requirements prescribed by the Association in this connection, and in furtherance hereof, the Association shall have the right to require any Owner at any time, to forthwith correct any repair or any maintenance deficiency then existing.

ARTICLE VII - THE ASSOCIATION

Section 7.1. Purposes and Powers. The Association through the Executive Board or a Managing Agent engaged by the Executive Board shall perform the functions and hold and manage property as provided in this Declaration so as to further the interests of the Unit Owners in the Property. The Association shall have all the powers necessary or desirable to effectuate such purposes.

Section 7.2. Membership. Every Owner shall be entitled and required to be a member of the

Association. An Owner shall be entitled to one (1) membership for each Unit Owner. Each such membership shall be appurtenant to and inseparable from the Unit upon which it is based, and shall be transferred automatically by the transfer (in whatsoever form) of that Unit. Ownership of a Unit shall be the sole qualification for membership. No person or entity other than an Owner may be a member of the Association.

Section 7.3. The Executive Board; Representation on Board. The affairs of the Association shall be managed by an Executive Board comprised of the officers of the Association and optional at-large members, which may by resolution delegate any portion of its authority to a Managing Agent for the Association. There shall be not less than three (3), nor more than five (5), members of the Executive Board. In the case of a three (3) or four (4) person Board, at least three (3) will be officers of the Association and at least one (1) Member of the Executive Board shall be elected only from among the Owners of the Commercial Units or from among candidates nominated and approved by a majority of the Owners of Commercial Units and at least (1) Member of the Executive Board shall be elected only from among the Owners of the Residential Units or from among candidates nominated and approved by a majority of the Owners of Residential Units. In the case of a five (5) person Board, at least three (3) Members of the Executive Board shall be officers of the Association and at least two (2) Members of the Executive Board shall be elected only from among the Owners of the Commercial Units or from among candidates nominated and approved by a majority of the Owners of Commercial Units and at least two (2) Members of the Executive Board shall be elected only from among the Owners of the Residential Units or from among candidates nominated and approved by a majority of the Owners of Residential Units.

Section 7.4. Bylaws. The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may be amplified under the provisions of the Association's Bylaws and reasonable Rules and Regulations adopted by the Executive Board and approved by the Owners by a vote of a majority of Owners at a meeting at which a quorum is present.

Section 7.5. Voting. Owners of one (1) or more Units shall have the right to cast one vote per Unit owned. If any Unit is owned by multiple parties, all such parties shall be Members. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Unit. If more than one (1) of the multiple owners are present, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement, if any one (1) of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. In no event shall more votes be cast with respect to any Unit than the votes allocated to that Unit. No vote(s) allocated to a Unit owned by the Association may be cast.

Section 7.6. Exercise of Powers. The Association may exercise any right or privilege given it expressly by this Declaration, by the Act or otherwise by law, and every other right, privilege and power reasonably to be implied from this Declaration or reasonably necessary to effectuate its function and purposes.

Section 7.7. Assessments. The Association shall have the right to levy and make assessments for Common Expenses, in accordance with this Declaration and its Bylaws, and for the following purposes:

- (a) To promote the recreation, health, safety, and welfare of the Owners and the residents of

the property;

(b) To pay the costs and expenses of maintaining the Common Elements as set forth in this Declaration;

(c) To pay the premiums for all insurance which the Association is required or permitted to maintain;

(d) To pay taxes and special assessments levied against any property of the Association, whether real or personal;

(e) To provide lawn, grounds and landscaping care for the Common Elements, maintain and operate the raw water irrigation system for the benefit of the Common Elements, and to otherwise maintain the Common Elements;

(f) To provide for the removal of snow from sidewalks, trails, roadways, driveways, and parking lots which form a part of or adjoin the Common Elements and from the roofs and gutters as needed;

(g) To periodically clean fireplace flues and the clothes dryer exhaust vents. Such elements serve the Residential Units exclusively and the Association shall allocate those expenses to the Residential Units;

(h) To pay all charges for lighting, utilities, irrigation water, trash removal and other services attributable to the Common Elements;

(i) To pay wages for Association employees, Association management expenses, legal and accounting fees;

(j) To pay any deficit remaining from any previous assessment period;

(k) To create a reasonable contingency reserve, surplus and/or sinking fund;

(l) To pay any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration, its Articles of Incorporation or Bylaws or the Act; and

(m) For any other purpose permitted by law.

Section 7.8. Allocation of Assessments for Common Expenses. Each Owner shall pay such Owner's profit share of the Common Expenses as designated herein in Exhibit B. Such proration shall be made in accordance with each Unit's undivided interest of the Common Elements, except as follows:

(a) The Association shall retain the right to allocate expenses that inherently relate only to residential uses only to the Owners of the Residential Units and to allocate expenses that inherently relate only to commercial uses only to the Owners of the Commercial Units; and the Association shall retain the right to designate that the utility, maintenance and repair costs associated with any Limited Common Element serving more than one Unit be apportioned and assessed among the Units served

thereby on a proportionate square foot basis; and

(b) Nothing contained herein shall prohibit certain Common Expenses from being apportioned to a particular Unit or Units as provided elsewhere in this Declaration or as determined appropriate by the Executive Board.

Section 7.9. Payment of Assessments. Each Owner shall pay to the Association, in accordance with its Bylaws, such assessments as may be periodically made by the Association.

Section 7.10. Periodic Assessments. After any assessment has been made by the Association, assessments shall thereafter be made quarterly or on such other periodic basis as the Executive Board shall determine, but no less frequently than annually, and shall be based on a budget adopted no less frequently than annually.

Section 7.11. Added Charges. The Association may impose charges for late payment of assessments, recover reasonable attorney's fees and other costs of collection and levy fines for violations of the Declaration, the Bylaws or the Rules and Regulations of the Association. All such charges shall be enforceable as assessments. Any assessment or portion thereof which is not paid when due shall bear interest from and after the date the same becomes due at the rate of eight percent (8%) per annum or at such greater rate as may be established by the Executive Board, but not exceeding twenty-one percent (21%) per year.

Section 7.12. Collection of Assessments. The Association shall have the right to bring an action at law against the Owner personally obligated to pay any delinquent assessment or fines.

Section 7.13. Assessment Liens. The Association shall also have a statutory lien on any Unit for any assessment levied against that Unit or fines imposed against the Unit Owner. The amount of the lien shall include any fees, charges, late charges, attorney's fees, fines and interest. This Declaration constitutes record notice and perfection of the statutory lien. No further recordation of any claim of lien or assessment is required. The Association's lien for assessments and enforcement rights in respect thereto shall be governed by the applicable provisions of the Act, as now in effect or hereafter amended.

Section 7.14. Budget Approval Process. It shall be the duty of the Executive Board to formulate and propose a budget of expenses, not less frequently than annually. Such proposed budget will be presented to the Unit Owners at the Association's annual meeting or any special meeting that may be called for this purpose, and if a majority of Unit Owners represented agrees for a vote to be taken, the proposed budget will be voted on and either adopted or vetoed by a majority of Unit Owners represented. In the event that the vote is postponed for any reason, an additional meeting will be called to consider and vote on the proposed budget. The Executive Board will give notice to the Unit Owners of any budget meeting in accordance with the Bylaws.

Section 7.15. Audits. The books and records of the Association shall be subject to an audit in accordance with the Act.

Section 7.16. Rules and Regulations. In furtherance of the intent, purposes and provisions of this Declaration, Rules and Regulations may be adopted, amended or repealed from time to time by the Executive Board if approved by the Owners by a vote of a majority of Owners at a meeting at which a

quorum is present. Notwithstanding the above, if the change to the Rules and Regulations would only affect one type of Unit Owner, i.e., Residential or Commercial Unit Owners, a majority of the affected Unit Owners, in addition to a majority of all Owners at a meeting at which a quorum is present, must approve the change. All rules and regulations adopted by the Association shall be applied uniformly in a non-discriminatory manner. The Executive Board may also establish and enforce reasonable penalties and fines for the infraction of any rule or regulation, which fines shall be collectable as assessments in the manner provided above. In addition, after notice and an opportunity to be heard, the Executive Board shall be allowed to take any action that the Owner has failed to take in order to comply with these Rules and Regulations, and to assess the Owner any costs reasonably incurred to take such action.

ARTICLE VIII- ARCHITECTURAL CONTROL - DESIGN REVIEW BOARD

Section 8.1. Design Controls. The DRB shall establish architectural and design control standards consistent with the general intent of this Declaration for all Common Elements in the Community, which standards shall be ratified by the Executive Board. The design control standards shall be applied uniformly to all Units within the Community.

Section 8.2. Alterations. No structural alterations to the interior of a Unit which could affect the structural integrity of a Building or any other Unit, nor any alteration of the Common Elements, including but not limited to, painting or staining of exterior siding, shall be undertaken unless the complete plans and specifications have been first submitted to and approved in writing by the DRB. Upon the review of any plans, specifications or submittals, the DRB may require that the Applicants reimburse the Association for any actual expense incurred with engineers, architects, attorneys or other professionals in reviewing such plans and specifications. The DRB shall not arbitrarily refuse to permit an Owner to make reasonable modifications to that Owner's Unit or a Limited Common Element appurtenant to the Owner's Unit, if such modification is deemed necessary under the Americans with Disabilities Act or other Federal, State or local law, ordinance or regulation. Decisions concerning the approval or denial of a Unit Owner's application for architectural or landscaping changes shall be made in accordance with standards and procedures set forth in duly adopted rules and regulations or Bylaws of the Association, and shall not be made arbitrarily or capriciously.

Section 8.3. Variances. The DRB may, by majority vote, grant reasonable variances or adjustments from any design standards or guidelines or from any conditions or restrictions imposed by this Declaration in order to overcome practical difficulties and unnecessary hardships arising from the application of the same. Such variances or adjustments shall be granted only when consistent with the Town of Carbondale Land Use Code and the PUD approvals for Lofts @ Dolores Park and not materially detrimental or injurious to other Units or the Common Elements. No such variance shall deviate substantially from the general intent and purpose of this Declaration. Any variance shall be deemed unique and shall not constitute a precedent for the future. The DRB may impose special conditions or requirements in connection with the grant of any variance. A Unit Owner may appeal any decision of the DRB concerning a proposed alteration to the Executive Board.

Section 8.4. No Waiver. The approval or consent of the DRB or Executive Board to any application for design approval shall not be deemed to constitute a waiver of any right to deny approval or consent as to any similar or related application in the future.

Section 8.5. Non-Liability. No review or approval by the DRB or Executive Board of any

alteration or improvement shall be deemed approval of the alteration or improvement for compliance with building codes or other governmental laws and regulations, nor shall it be deemed approval for safety purposes.

ARTICLE IX - ALLOCATED INTERESTS

Section 9.1. Common Elements. The Common Elements are allocated among the Residential Units and the Commercial Units on an approximate proportionate square foot basis. A table describing each Unit's square footage and corresponding percentage interest in the Common Elements is attached and incorporated herein as Exhibit B. The allocated interests shall be final and not subject to reallocation unless units are combined pursuant to Section 9.5, below.

Section 9.2. Liability For Common Expenses. Except as otherwise provided in Article VII above, each Unit's share of liability for Common Expenses shall be in the same percentage as that Unit's percentage interest in the Common Elements.

Section 9.3. Voting Rights. Each Unit is allocated one (1) vote; voting rights are not calculated based on the Unit's share of interest in or liability for the Common Elements and Common Expenses.

Section 9.4. Allocation of Interests. With reference to the foregoing criteria, the interests of each Unit have been determined and are hereby allocated as provided in Exhibit B attached. The allocation of interests reflected in Exhibit B attached shall be deemed binding and conclusive, subject however, to the provisions of Section 9.5, herein.

Section 9.5. Combining Units. An Owner may combine two (2) or more contiguous Residential Free Market Units or Commercial Units of the same type (Residential or Commercial) into one (1) Unit upon compliance with all provisions of the Act and the requirements of the Town of Carbondale and the Association. If an Owner combines two or more Units with the intent of creating one (1) Unit therefrom, such resulting Unit shall continue to have the full allocated interests and voting rights originally assigned to the Units so combined. The structural separations between such Units shall become Limited Common Elements appurtenant to the combined Unit. The Owner of a combined Unit shall have the right to separate the Unit back into its constituent Units as previously constituted and thereupon restore the interests and Limited and General Common Elements appurtenant to each Unit as existing prior to their combination. Before any combination or separation of Units, the Owner shall submit such plans, specifications and information to the Executive Board as it shall reasonably require, and shall pay all expenses of the Association incurred in connection with such action, including without limitation, the cost of preparing and recording an Amended or Supplemental Declaration and Condominium Map that describe and depict the resulting Units and Common Elements and apportion the Allocated Interests of the affected Units in a manner consistent with the principles set forth in this Article IX. Affordable Housing Units may not be combined.

ARTICLE X - USE RESTRICTIONS

Section 10.1. Leases. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Articles of Incorporation, Bylaws and duly promulgated Rules and Regulations of the Association, and that any failure by the tenant to comply

with the terms of such documents shall be a default under the lease. All leases shall be in writing. Other than as provided in this Section, there is no restriction on the right of any Owner of a Residential Free Market Unit or Commercial Unit to lease his property. An Owner of an Affordable Housing Unit may not rent or lease such Owner's Unit without the prior written approval of the Housing Authority and subject to the conditions of its approval, a copy of which approval shall be provided to the Association prior to the commencement of the lease term. An Affordable Housing Unit may only be leased to tenants meeting the qualifications of the Housing Authority, and then only for the uses of Affordable Housing Units provided herein.

Section 10.2. Animals. No animals of any kind shall be raised, bred or kept in the Community, except that dogs and cats may be kept, provided that they are not kept, bred or maintained for any commercial purpose and that such pets are at all times under the control of their Owner, well-mannered and behaved; and provided further that, in no event shall any Owner or occupant of any Unit keep more than a total of two (2) such animals, in any combination, at any time. This Section shall have no application to a Commercial Unit approved by the DRB and the Town of Carbondale for use as a pet shop, for pet grooming, or for any other commercial pet related business conducted in a Commercial Unit.

Section 10.3. Restrictions on Floor Loads. No Owner may place a load on any floor that exceeds the load for which the floor was designed. No Owner shall install or maintain any item of heavy furniture or equipment or make any other installation, except in a manner designed to achieve a proper distribution of weight.

Section 10.4. No Nuisance or Hazard. No nuisance shall be permitted within the Unit or upon the Property, nor any use, activity or practice which would reasonably constitute an annoyance or hazard or which otherwise would tend to disturb or offend any Unit Owner or interfere with another Unit Owner's peaceful possession or enjoyment of his Unit or any part of the Common Elements shall be permitted. No unsafe, hazardous or unlawful use shall be permitted upon the Property or any portion thereof. All applicable laws, ordinances and governmental regulations shall, at all times, be observed. The discharge of firearms upon or within any part of the Community, including the Units, is expressly prohibited.

Section 10.5. Use of Commercial Units. Subject to the provisions of this Article 10, Commercial Units shall be used for permitted business and commercial purposes allowed by the Town of Carbondale Land Use Code. No action shall be taken by the Association, any Member or any group of Members that would operate to prevent, hinder or compromise the use of any Commercial Unit or the conduct of any business from any Commercial Unit which is otherwise in compliance with the applicable land use regulations and this Declaration. Neither the Association nor its Members shall circumvent such entitlement through the adoption of rules or regulations or the amendment of this Declaration or the Bylaws, whether by vote or otherwise. Any restrictions on the use of a Commercial Unit beyond those contained in this Declaration and the applicable land use regulations shall require the written agreement of the Owners of all the Units, Commercial and Residential.

The following restrictions and requirements shall apply to all Commercial Units:

- (a) No Commercial Unit shall be used for residential purposes.
- (b) No Commercial Unit shall be used for the operation of a contractor construction yard, commercial laundry or dry cleaning business; automotive repair shop, automotive body shop or automotive

paint shop; truck repair shop; recycling of metals, paper, plastic or automotive oil; cold storage plants; electric satellite or microwave receiving stations; motion picture studios; motor or railroad freight depot; automobile parking for park-and-ride terminal; facilities such as athletic clubs, lodges for fraternal orders, outdoor amusement and recreation, video arcade as an accessory use in association with permitted uses; or food processing plants.

(c) No outside storage of goods, supplies, materials, equipment or products associated with the Commercial Units shall be allowed unless specific arrangements are made for a covered storage structure, which shall require the approval of the DRB. This provision may only be amended pursuant to Section 14.5 and with the approval of the Town of Carbondale.

Section 10.6. Use of Residential Units. Residential Units shall be used for single family residential purposes only, provided that, in-home businesses or occupations which do not involve employees other than the Unit Owner(s), the solicitation or invitation of the general public, or the servicing of customers shall be permitted, so long as activities are conducted entirely within the Residential Unit and do not cause additional traffic, increase the parking burden on the Property or otherwise create a nuisance. Any in-home business or occupation must also fully comply with all applicable requirements of the Town of Carbondale Land Use Code.

Section 10.7. Storage of Personal Property. Decks, patios, balconies, porches and General and Limited Common Elements shall not be used for the permanent storage of personal property. Nothing shall be placed on or in windows or doors or otherwise on the exterior of any Residential Unit or on the Common Elements, which creates an appearance that is inconsistent with the standards established by the DRB or reflected in the Rules and Regulations. Skis, snowboards, bikes, mountain bikes, kayaks and other items of personal property shall not be allowed to remain outside except in designated areas or when in actual use or. No laundry shall be dried or hung outside within view of other Units or the street.

Section 10.8. Garbage and Trash. With the exception of dumpsters or other trash receptacles provided by the Association on Common Elements, no refuse, garbage, trash, grass, shrub or tree clippings, plant waste, scrap, rubbish or debris of any kind shall be kept, stored, maintained or allowed to accumulate or remain anywhere within the Property. No garbage containers, trash cans or receptacles shall be maintained in an unsanitary or unsightly condition, and except when being carried to and from the dumpsters, such shall be kept completely within a Unit.

Section 10.9. Parking. There are a limited number of parking spaces on the Property. A minimum of one parking space for each Residential Unit shall be allotted and maintained by the Association. No more than two vehicles will be allowed per Residential Unit unless specifically authorized by the Association after it is determined adequate additional parking is available. The storage of recreational vehicles, campers, motor homes, trailers, boats or similar vehicles, whether motorized or not, is prohibited.

ARTICLE XI – NOTICE OF MIXED USE DEVELOPMENT

Section 11.1. Notice of Mixed Use. The Community contains both Residential and Commercial Units and there will be activities, noises and orders at the Community that might not be encountered in a purely residential or purely commercial development. All Unit Owners and

their occupants shall take title to and be subject to the rights of Commercial Unit Owners to conduct their business operations and Residential Unit Owners to use and enjoy their residential units.

Section 11.2. Annoying Light, Sound or Odor. The Commercial Unit uses shall and will produce noise, vibration, odor, fumes, pedestrian and vehicular traffic at variable levels and at variable times through the day or night. Although all Commercial Unit Owners and their occupants shall conduct their commercial uses in accordance with applicable building, land use regulations and health and safety codes, all Residential Unit Owners and their occupants shall take title to and be subject to the rights of commercial users to conduct their business operations.

All exterior lights installed or maintained on any Unit shall be placed so that the light source is screened and shielded from any other Unit, and shall require the prior written approval of the DRB in each instance. No light shall be emitted from any part of the Development (including any Unit) which is unreasonably bright or causes unreasonable glare. Without limiting the generality of the foregoing, no spotlights, floodlights, or other high-intensity lights shall be permitted within the Development without the prior written approval of the DRB. Without limiting the foregoing, all lighting must comply with applicable rules and regulations of the Town of Carbondale.

No sound shall be emitted from any part of the Community (including any Unit) which is unreasonably loud or annoying, and no odor shall be emitted from any part of the Development (including any Unit) which is noxious or unreasonably offensive. Again, without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, other than security devices used exclusively for security purposes, shall be located or used within the Community except with the prior written approval of the DRB.

Section 11.3. Commercial Deliveries. Parking for commercial deliveries shall be limited to a maximum of thirty (30) minutes. No deliveries shall be made between the hours of 9:00 p.m. and 7:00 a.m. Deliveries shall be made at the back of the Commercial Unit which is receiving said delivery.

Section 11.4. Complaints. Complaints regarding violations of any applicable covenants, conditions, restrictions, rules and regulations, including but not limited to those between Commercial and Residential Units, shall be addressed to the Executive Board, pursuant to the Association's Bylaws and Rules and Regulations.

ARTICLE XII - INSURANCE

Section 12.1. Association to Maintain Insurance. The Association shall maintain to the extent reasonably available:

(a) Property insurance on the Common Elements for broad form covered causes of loss. Such coverage shall afford protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use, as the buildings on the Property, including, but not limited to vandalism and malicious mischief. The amount of insurance must be not less than the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations,

foundations and other items normally excluded from property policies; provided that the casualty protection on the buildings and improvements maintained by the Association shall insure the improvement only to the interior bare walls as initially constructed and installed by the original developer. It shall be the responsibility of each Owner to insure the finish of the interior walls and all cabinets, furnishings, fixtures, appliances, personal property, and other contents of his Unit. The named insured shall be the Association, individually, and as agent for the Owners and their Mortgagees, without naming them. Provisions shall be made for the issuance for mortgagee endorsements and memoranda of insurance to the Mortgagees of the Owners. Such insurance policy shall provide that payments by the insurer for losses shall be made to the Association or to an insurance trustee in the State of Colorado designated by the Association for that purpose. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location, and use.

(b) Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements with coverage limits as deemed sufficient in the judgment of the Executive Board, but in no event less than \$1,000,000 per occurrence and \$2,000,000 aggregate, insuring the Executive Board, the Association, the management agent, if any, and their respective employees, agents, and all persons acting as agents. The Owners shall be included as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Elements. The insurance shall cover claims of one (1) or more insured parties against other insured parties.

Section 12.2. Non-Availability. If the insurance described above is not reasonably available, or if any policy of such insurance is canceled or not renewed, without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered, or sent prepaid, U.S. mail, to all Unit Owners and the Association shall obtain such property and commercial general liability insurance as shall be as close as possible to the coverage provided for in Sections 12.1 above and 12.3 and 12.4 below.

Section 12.3. Additional Coverage Required. Pursuant to the Act, the property insurance and the Commercial General Liability Insurance required above, must provide that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of such Unit Owner's interest in the Common Elements or membership in the Association;

(b) The insurer waives its rights to subrogation under the policy against any Unit Owner or member of such Owner's household;

(c) No act or omission by any Unit Owner, unless acting within the scope of such Unit Owners authority on behalf of the Association will void the policy or be condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Section 12.4. Adjustment of Property Loss. Any loss covered by the Property Insurance described above, must be adjusted with the Association, but shall be held, administered and applied in the manner provided by the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-313(5) -(9).

Section 12.5. Procedures; Deductibles; Assessments. 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 real property, it shall have the authority to assess negligent Unit Owners causing such loss or benefitting from such repair or restoration, all deductibles paid by the Association. In the event that more than one (1) Unit is damaged by a loss, the Association, in its reasonable discretion may assess each Unit Owner a pro rata share of any deductible paid by the Association.

Section 12.6. Owner's Insurance. An insurance policy issued to the Association does not obviate the need for Unit Owners to obtain insurance for their own benefit for such coverage as each shall determine appropriate, such as by way of example and not limitation contents insurance, premises, liability and business interruption.

Section 12.7. Officers and Directors. The Association shall keep and maintain Officers and Directors errors and omissions and personal liability coverage, with coverage limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, to protect the Association's officers and Executive Board Members from personal liability in relation to or arising out of their duties on behalf of the Association.

Section 12.8. Fidelity Bonds and Insurance. The Association shall obtain adequate fidelity bonds or insurance coverage to protect against dishonest acts of any Unit Owner, Executive Board member, Officer, employee or Manager of the Association handling or responsible for Association funds. Such fidelity bonds or insurance coverage shall not be less than the aggregate amount of two (2) months current assessments for the entire Property, plus reserves as calculated from the current budget of the Association, or \$50,000, whichever is greater. The Association may carry fidelity bonds or insurance and such greater amount as the Executive Board deems prudent.

Section 12.9. Managing Agent Insurance. The Association shall require any independent contractor employed for purposes of managing the Community to carry fidelity bonds or insurance for the benefit of the Association to the same extent as the Association or with such greater coverage limits as the Association or the Act may require, for the benefit of the Association and any such Manager shall maintain and submit evidence of such coverage to the Association.

Section 12.10. Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 12.11. Other Insurance. The Association may also obtain insurance coverage against any such other risks of a similar or dissimilar nature, as deemed appropriate.

Section 12.12. Insurance Expense. The cost of all insurance which the Association is required or permitted to maintain, shall be assessed to the Unit Owners as a Common Expense.

Section 12.13. Annual Review. The Executive Board shall review the insurance coverage for

the Association at least annually for the purpose of determining the amount of insurance required.

Section 12.14. Duty to Repair. Any portion of the Community for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless: the Community is terminated in accordance with the Act; the repair or replacement would be illegal; or sixty-seven percent (67%) of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

ARTICLE XIII - ASSESSMENT CERTIFICATES AND NOTICES

Section 13.1. Assessment Certificates. Upon request, the Association shall provide any Owner, prospective purchaser, Mortgagee or prospective Mortgagee, of any Unit in the Community a certificate in writing signed by an officer of the Association setting forth the amount of any assessments, interest or late charges due in connection with any specified Unit. A reasonable charge may be made by the Association for the issuance of such certificates.

Section 13.2. Notice of Assessment Liens. Upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's Registered Agent, the Association shall furnish to a Unit Owner or his designee, or to a holder of a Security Interest, mortgage or deed of trust, or its designees, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's Unit. This statement shall be furnished within fourteen (14) days after receipt of the request, and is binding on the Association, the Executive Board and every Unit Owner. If no statement is furnished to the Unit Owner or holder of the Security Interest, mortgage or deed of trust, or to his designee, delivered personally or by email, or by certified mail, first-class postage prepaid, return receipt requested to the inquiring party, then 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.

ARTICLE XIV - GENERAL PROVISIONS

Section 14.1. Notices to Owners. Notice to an Owner of matters effecting the Community by the Association or by another Owner, shall be sufficiently given if such notice is in writing and is delivered personally, or by email to the email address furnished by the Owner to the Association, or by courier or private service delivery, or by deposit in the U.S. mail, postage prepaid, addressed to such Owner at the registered mailing address furnished by the Owner to the Association in accordance with the Bylaws. Such mailing shall be deemed adequate, whether emailed or mailed ordinary mail, certified mail or registered mail.

Section 14.2. Recording Data. All recorded easements and licenses appurtenant or included in the Community, are set forth on Plats or Maps recorded as Reception Nos 753183 and 766444 of the Garfield County, Colorado records. In addition, the Community will be subject to the easements and licenses granted or reserved pursuant to this Declaration and the Condominium Map and to the provisions of the PUD Resolution. (All Reception Nos. refer to the records of Garfield County, Colorado).

Section 14.3. Covenants to Run with the Land. This Declaration shall run with the land and be a burden and a benefit to the Units within the Community.

Section 14.4. Enforcement. The failure of any Owner to comply with the provisions of this Declaration or with the Articles of Incorporation, Bylaws or the duly promulgated Rules and Regulations of

the Association, shall give rise to a cause of action in the Association, as well as any aggrieved Unit Owner for the recovery of damages or injunctive relief, or both. In any action brought to enforce the provisions of this Declaration, the Articles of Incorporation, the Bylaws or the duly promulgated Rules and Regulations of the Association, between or among (in any combination) the Association and/or any Unit Owner(s), the prevailing party or parties shall be entitled to recover from the non-prevailing party or parties all reasonable costs and expenses, including attorney's fees incurred in connection with any such action. The failure of the Association or any Owner to enforce any such rights, shall in no event be deemed a waiver of the right to do so in the future. The Town of Carbondale is recognized as a third-party beneficiary with respect to the use restrictions described in Article XII and matters contained in the PUD Resolution, and may enforce the same in its own right, including enforcement of any terms in the PUD Resolution as to the Affordable Housing Units.

Section 14.5. Amendments. The Association may amend this Declaration with respect to those matters expressly permitted by the Act. Except as provided above, this Declaration may be amended only by the vote or agreement of Unit Owners representing at least sixty-seven percent (67%) of the Units within the Community, and the consent of the Housing Authority regarding amendments which affect the use or ownership of the Affordable Housing Units, and by the recordation of a certified copy of the Resolution of Amendment, signed and acknowledged by the President and Secretary of the Association, recorded in the records of the Clerk and Recorder of Garfield County, Colorado. In addition, if any amendment would reduce the rights and privileges of just one class of Unit Owner, i.e. just Residential Units or just Commercial Units, sixty-seven percent (67%) of the affected Unit Owners must approve the amendment, in addition to sixty-seven percent (67%) of all Unit Owners.

Section 14.6. Termination of Declaration. This Declaration shall not be terminated except upon the written agreement of Owners representing not less than sixty-seven percent (67%) of the Units within the Community, and must be evidenced by a Termination Agreement or ratifications thereof, in the same manner as a deed, by the requisite number of Unit Owners. The Termination Agreement must specify a date after which the agreement will be void unless it is recorded before that date. The Termination Agreement and all ratifications thereof must be recorded in Garfield County, Colorado, and shall be effective only upon recordation.

Section 14.7. Restoration. If at any time all Owners and all holders of first mortgages shall agree that the Community has become obsolete and shall approve a plan for its renovation or restoration, the Association shall promptly cause such renovation or restoration to be made according to such plan. All Owners shall be bound by the terms of such plan and the cost of the work shall be a Common Expense.

Section 14.8. Duration. This Declaration shall continue in effect until revoked or terminated in the manner provided above.

Section 14.9. Interpretation and Conflicts. Any provision of this Declaration in conflict with the Act shall not be deemed invalid in its entirety, but shall be deemed amended to the minimum extent necessary to comply with the Act. In the event of any dispute between the provisions of this Declaration and the Bylaws, Rules and Regulations or Articles of Incorporation, this Declaration shall prevail, and the remainder in the order set forth above.

Section 14.10. Severability. If any clause or provision of this Declaration is determined to be illegal, invalid or unenforceable under present or future laws, all other terms and provisions hereof shall nevertheless remain in full force and effect.

LOFTS @ DOLORES PARK ASSOCIATION

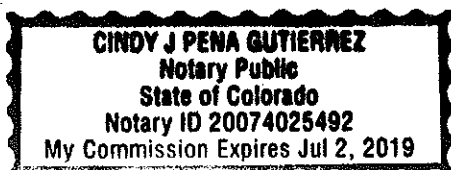
By: Barbara P. Dills, President

STATE OF COLORADO }
 } ss.
COUNTY OF Garfield }

The foregoing instrument was acknowledged before me this 22nd day of March
2018, by Barbara P. Dills, President of the Lofts @ Dolores Park Association.

Witness my hand and official seal.

My commission expires: 07/02/2019



Cindy J. Peña Gutierrez
Notary Public

EXHIBIT B

Allocation of Interest in Common Elements and Assessments for Common Expenses

<u>Unit Address</u>	<u>Garfield County</u>	<u>Assessment</u>
	<u>Property Valuation</u>	<u>Allocations %</u>
	<u>Sq Ft</u>	
2623	1,584	6.57%
2619	1,584	6.57%
2615	1,584	6.57%
2611	1,584	6.57%
2607	1,442	5.98%
2605	1,824	7.57%
2646	1,632	6.77%
2645	1,632	6.77%
2643	1,632	6.77%
2641	1,632	6.77%
2639	1,632	6.77%
2637	1,632	6.77%
2635	1,632	6.77%
2633	1,264	5.25%
2631	1,808	7.50%
	24,098 sq. feet	100.00%