

AMENDED AND RESTATED DECLARATION
FOR
LINES III CONDOMINIUMS, A PLANNED COMMUNITY

THIS AMENED AND RESTATED DECLARATION FOR LINES III CONDOMINIUMS (the "**Amended Declaration**") is approved and effective this 3 day of July, 2025, by the undersigned.

RECITALS

A. The "**Community**" known as Lines III Condominiums was created pursuant to the Declaration for Lines III Condominiums, A Planned Community recorded on January 21, 2005 at Reception No. 667379 in the real property records of the County of Garfield, State of Colorado, as amended by the Amended & Supplemental Declaration for Lines III Condominiums, A Condominium recorded on December 18, 2007 as Reception No. 739500 in the real property records of Garfield County, Colorado, and as further amended by the Limited Amendment to the Declaration for Lines III Condominiums, A Planned Community recorded September 4, 2014 as Reception No. 853279 in the real property records of Garfield County, Colorado (collectively referred to as the "**Declaration**").

B. The community is governed by the Lines III Condominiums Residential Owners Association, Inc., a Colorado nonprofit corporation (the "**Association**").

C. In accordance with Section 12.2 of the Declaration as previously amended, the Declaration may be amended by upon the approval of the Town of Carbondale, if such approval is necessary and/or required, and upon the vote of sixty-seven (67%) of the Owners of the Unit.

D. The certificate of the Association attached hereto as Exhibit A confirms that the affirmative vote of the requisite percentage of Owners entitled to vote have been obtained to amend the Declaration by this Amended Declaration.

E. The purpose of this Amended Declaration is update the terms and conditions of ownership in the Project, defined below, the covenants and conditions and to eliminate the previous references to the reserve parcel and commercial buildings.

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, from and after the execution of this Amended Declaration by the Association and the recording hereof in the Office of the Clerk and Recorder of Garfield County, Colorado, the following terms, covenants, conditions, easements, restrictions, uses, reservations, and obligations shall be deemed to run with the land comprising the Project and the Community

and shall be a benefit and burden to the Owners, their lenders, grantees, successors, heirs, executors, administrators, devisees and assigns.

II. DEFINITIONS.

2.1 Real Property. “**Real Property**” means the real property situated in the Town of Carbondale, County of Garfield, State of Colorado, described as Lot 13, Crystal Village PUD, Filing No. 3.Residential Building. “**Residential Building(s)**” or “**Building(s)**” means the two constructed buildings improvement situated on the Real Property and containing six (6) Residential Units for a total of twelve (12) residential units, as shown and described on the Supplemental Lines III Condominium – Building 2 (“**Supplemental Map**”) recorded on December 18, 2007, County of Garfield, State of Colorado, and any supplements thereto which may be filed in the Garfield County records.Project. “**Project**” means the Real Property, the Residential Buildings, General Common Elements, and improvements now or hereafter located on the Real Property. The Project is a planned community subject to the Colorado Common Interest Ownership Act under the provisions of C.R.S. 38-33.3-101, et. seq.Map. “**Map**” means the Map for the Lines III Condominiums filed in the records in the office of the Clerk and Recorder of Garfield County, Colorado, and the Supplemental Map. Individual Space. “**Individual Space**” means an individual air space unit as herein more particularly defined. An Individual Space consists of enclosed rooms occupying part of the Building. Each Individual Space is shown on the Map and/or Supplemental Map and is identified thereon with a number. The boundaries of each Individual Space are shown on the Map and/or Supplement Map by heavy lines along the walls which mark the perimeter boundaries of the Individual Space. The exact boundaries of an Individual Space are the interior surfaces of such walls which mark the perimeter boundaries and, where found along such walls, the interior surfaces of built-in fireplaces and of windows and doors in their closed position, and the Individual Space includes both the portions of the Building so described as the air space so encompassed. Any Common Element, as hereinafter defined, which may be within an Individual Space shall not be part of the Individual Space or owned by the Owner of the Unit, as hereinafter defined, of which the Individual Space is a part.General Common Elements. “**General Common Elements**” or “**Common Elements**” include parking lots, parking facilities, curbs, gutters, outside walkways, fences, driveways, trees, shrubs, lawns, parks, play areas and similar facilities; all foundations, columns, girders, beams and support of either building; all exterior walls, the main bearing walls, the main or bearing sub-flooring and the roofs, of or within either building; all entrances, exits, stairs, stairways, landings, elevators and fire escapes not within individual Units; all utilities, service and maintenance areas, space fixtures, equipment, apparatus, installations and facilities for purposes of power, light, gas. Telephone, television, internet access and use, hot water, cold water, heating refrigeration, incineration, trash disposal, or similar utilities, furnaces, tanks, boilers, pumps. Motors, fans, compressors, vents, ducts, flues, wires, pipes, conduits and other similar fixtures, structures, apparatus, or equipment, provided they do not exist solely to serve an individual Unit in which they may be located. The General Common Elements do not include the air space of the individual Units and do not include

any Limited Common Elements, if any. Unit. “**Unit**” or “**Residential Unit**” means the physical portion of the Condominiums (Individual Spaces) designed for separate ownership by this Amended Declaration and the Condominium Map. Unit ownership shall include an undivided percentage ownership interest in the Common Elements serving a particular Unit and in the General Common Elements, which serve all Units. Owner. “**Owner**” means the person or persons or entity or entities, including Declarant, who own fee simple title to a Unit. The term Owner shall not include the owner or owners of any lesser estate or interest. Guest. “**Guest**” means any customer, agent, employee, tenant, guest or invitee of any Owner; and any person or entity who has acquired any title or interest, less than fee simple, in a Unit by, through or under an Owner, including lessee, licensee or mortgagee and any customer, agent, employee, tenant, guest or invitee of any such person or entity. Mortgagee. “**Mortgagee**” means any person or entity who is a mortgagee under a recorded mortgage or a beneficiary under a recorded deed of trust or the holder of a similar recorded security instrument encumbering a Unit. “**First Mortgage**” means the first and most senior of all recorded mortgages, deeds of trust and similar instruments encumbering a Unit, and “**First Mortgagee**” means the Mortgagee under such mortgage, deed of trust or other instrument. Lien Holder. “**Lien Holder**” means any person or entity who holds a legally perfected security instrument, other than a mortgage or deed of trust encumbering a Unit.

2.13 Limited Common Elements. “**Limited Common Elements**” means those Common Elements designed or reserved in the Amended Declaration, and/or the Map or Supplemental Map for the exclusive use and benefit of the Owners of the Units benefited thereby. Each Unit in Building 2 contains an appurtenant parking space, storage unit and deck, which are Limited Common Elements as labeled and depicted on the Supplemental Map.

III. DECLARATION AND EFFECT THEREOF. Division Into Units. The Project is hereby divided into a maximum of six (6) Units per Building for a total of twelve (12) Units, each consisting of a separate fee simple estate in a particular Individual Space and an appurtenant fee simple undivided interest in the Limited Common Elements designed for exclusive use with such Unit, and a similar interest in the General Common Elements. Association Ownership of Common Elements. The General Common Elements shall be owned, and are hereby conveyed, in fee simple to the Residential Association, subject to the beneficial use thereof by the Owners and the other rights herein expressed. Until such time as the Residential Association comes into existence upon the first conveyance of a Unit by Declarants as hereafter provided, Declarants shall retain complete authority over and control of the Project, and any functions and duties enjoyed upon the Residential Association herein shall be performed and fulfilled by the Declarants. The Residential Association, upon realizing its existence, shall acquire title by after-acquired title. Description of a Unit. Any instrument affecting a Unit may legally describe it by reference to the identifying Unit number and Building shown on the Map. This identifying number for a Unit in the Project is the number on the Map identifying the Individual Space

which is part of that Unit. A legal description of a Unit in the building may be in the follow form: Unit _____ (Building __) Lines III Condominiums according to the Plat thereof recorded January 21st, 2005, as Reception No. 667380, and according to the Condominium Declaration recorded January 21st, 2005 in Book 1657 at Page 435 as Reception No. 667380. County of Garfield State of Colorado

and any conveyance or other instrument affecting title to a Unit, or any part thereof shall be deemed to include and describe the entire Unit, and all the rights, easements, obligations, limitations, encumbrances, covenants, conditions and restrictions benefiting or burdening the Unit under the terms of this Amended Declaration.

Any reference to the Lines III Condominiums in any description shall mean the Lines III Condominiums, a Planned Community according to the Map and this Amended Declaration both as filed and recorded in the office of the Clerk and Recorder of Garfield County, Colorado.

3.4 Duration of Ownership. The ownership of the Project created under this Amended Declaration shall continue until this Amended Declaration is terminated or revoked as hereinafter provided. Inseparability. The interests of an Owner in an Individual Space and the General Common Elements which constitute a Unit shall be inseparable for the period of ownership hereinabove described. Ad Valorem Taxation. All taxes, assessments and other charges of the State of Colorado or of any of its political subdivisions or of any special improvement district or of any other taxing or assessing authority shall be assessed against and collected on each Unit separately and not on the Building or the Project as a whole and each Unit shall be carried on the tax books as a separate and distinct parcel. For the purpose of valuation for assessment, the valuation of the General Common Elements shall be included in the assessment of the Unit of which it is an appurtenance. The lien for taxes assessed to any Unit shall be confined to that Unit. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

3.7 Unit Boundaries. The Unit lines shown on the Map shall be the perimeter boundaries of the Units and the buildings within which the Units are located. Where two Units share a common wall, the common wall shall be deemed divided equally in half vertically through its center, and each half shall be deemed a part of and owned by the Unit adjacent to that half of the common wall. Units shall not be deemed to have an uppermost horizontal boundary or a lowermost horizontal boundary.

3.8 No Partition or Subdivision. Common Elements shall be owned by the Association as herein provided and shall remain undivided, and no Owner or other Person shall bring any action for partition or division of the Common Elements.

Similarly, no action shall be brought for the subdivision or physical partition of a Unit or the improvements thereon between or among the Owners thereof.

3.9 Mechanic's Lien. No labor performed or materials furnished for use in connection with any Unit with the consent or at the request of the Owner of such Unit or his agent, contractor or subcontractor shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same or against any interest in the General Common Elements comprising an appurtenance to such Unit. Each Owner shall indemnify and hold harmless each of the other Owners from and against liability or loss arising from the claim of any lien against the Unit, or any part thereof, of such other Owner for labor performed or materials furnished for use in connection with the first Owner's Unit. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and/or for which the materials were furnished the amount necessary to discharge any such lien, including all costs, incidental thereto, including attorney's fees. If not promptly paid, the Association may collect the same in the manner provided herein for collection of assessments for the purpose of discharging the lien.

IV. VARIOUS RIGHTS AND EASEMENTS. Owner's Right to General Common Elements. Subject to the provisions of this Amended Declaration, each Owner and each Owner's Guests shall have a nonexclusive right to use and enjoy for the intended purpose, the General Common Elements, provided there is not hindrance or encroachment upon the lawful rights of use and enjoyment of other Owners and their Guests as described in this Amended Declaration and the rules and regulations of the Association.

4.2 Owners Rights in Individual Space. Subject to the provisions of this Amended Declaration, each Owner shall have full and complete dominion and ownership of the Individual Space which is part of the Unit owned by such Owner and each Owner and each Owner's Guests shall have the exclusive right to use and enjoy the same. Each Owner shall have the right to paint, repaint, tile, carpet, paper and otherwise refinish and decorate the interior surfaces of the walls, ceilings, floors, windows, and doors which are within the boundaries of this Individual Space. Association Rights. Each Association shall have the right or easement, as the case may be, to make such use of the General Common Elements and the Individual Space as may be necessary or appropriate for it to perform the duties and functions which it is obligated or permitted to perform under this Amended Declaration; provided, however, that any entry into an Individual Space shall be made with as little inconvenience as practicable to the Owner and that any damage to the Unit entered shall be repaired by, and at the expense of, the appropriate Association. Owners Easements for Access, Support and Utilities. Each Owner shall have a non-exclusive easement in common with all the other Owners for access to and from their Individual Space which is part of the Unit of such Owner and public roads and streets, including, without limitation,

over open space, landscaped areas, walks, parking areas, driveways, and any other exterior access and/or other easements which are part of the Project; each Owner shall have a non-exclusive easement in and over General Common Elements, including within the individual space of another Owner, for horizontal and lateral support of the Individual Space which is part of his Unit and for utility service provided to that Individual Space, including water, sewer, gas, electricity, telephone, internet and television service.Easements for Encroachments. If any part of the General Common Elements encroaches or shall hereafter encroach upon an Individual Space, an easement for such encroachment and for the maintenance of the same shall exist. If any part of any Individual Space encroaches or shall hereafter encroach upon the General Common Elements, or upon another Individual Space, the Owner of that Individual Space shall have an easement for such encroachment and for the maintenance of the same. Such encroachments shall not be considered encumbrances either on the General Common Elements or on Individual Space. 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 or shifting of the Building, or by changes in position caused by repair or reconstruction of the Project, or any part thereof.Easements in Individual Space for Repair, Maintenance and Emergencies. Some of the General Common Elements are or may be located within an Individual Space or may be conveniently accessible only through an Individual Space. The Association shall have an easement for access to each Individual Space and to all General Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the General Common Elements located therein or accessible therefore or for making emergency repairs therein necessary to prevent damage to the General Common Elements or to any Individual Space.Negligence or Willful Misconduct. Any damage to any Unit caused by the negligence or willful misconduct of either Association or any of its agents during any entry into any Individual Space shall be repaired by and at the expense of the appropriate Association.Easements Deemed Appurtenant. The easements and rights herein created for an owner shall be appurtenant to the Unit of that Owner and all conveyances of and other instruments affecting title to a Unit shall be deemed to grant and reserve the easements and rights as are provided for herein, even though no specific reference to such easements appears in any such conveyance. Right to Combine Units. Subject to the following provisions, an Owner shall have the right to combine a Unit with one or more adjoining Units only after obtaining written approval from the appropriate Association and the Town of Carbondale. A combination of Individual Space shall become effective only when the Owner of the Individual Spaces which are to be combined executes and records in the Office of the Clerk and Recorder of Garfield County, Colorado, a written statement describing the Individual Spaces to be combined and declaring that the same are combined. Such combination shall not affect the designation nor prevent separate ownership of the Individual Spaces in the future. Upon the combination of Individual Spaces, the combined Individual Spaces shall be the total of the separate interests prior to the combination. In the event of such combination, any part of the building within the new perimeter boundaries of the combined Individual Spaces shall cease to be General Common Elements if such part of the Building would not have constituted General Common Elements had the

combined Individual Space been originally designated on the map as a single Individual Space. An Owner shall have the right, if such Owner owns two adjacent Units, to create a doorway between the Individual Spaces in any common wall. Partition of Individual Spaces Prohibited. No Owner shall partition or subdivide any Unit so as to convey to a prospective Owner any interest in less than an entire Individual Space; provided, however, that an Owner of a Unit consisting of two or more Units combined pursuant to this Article may partition and subdivide such Unit into Units conforming to the dimensions of the Individual Spaces described in the Map. This Article is not intended, however, to prohibit joint or common ownership by two or more persons or entities of a Unit. CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION.

5.1 Association Management. The Association shall be managed in accordance with C.R.S. 38-33.3-301 et. seq. An Executive Board consisting of at least three (3) persons shall manage the Association (the “**Executive Board**” or “**Board**”). The Executive Board shall carry out the functions and obligations of, and exercise the powers, granted to each Association by C.R.S. 38-33.3-302, and other applicable statutory sections. At such time as there are enough Unit owners who are willing to serve on the Board, the members of the Board shall consist entirely of Unit owners.

5.2 Association; General Powers. The Association has been formed as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act to manage the affairs of the Community. The Association shall serve as the governing body for all the Owners and occupants for the protection, improvement, alteration, maintenance, repair, replacement, administration and operation of the Common Elements, the levying and collection of Assessments for Common Expenses and other expenses of the Association, and such other matters as may be provided in this Amended Declaration, the Articles, and the Bylaws. The Association shall have all the powers, authority and duties as may be necessary or appropriate for the management of the business and affairs of the Community, including without limitation all the powers, authority and duties of a Colorado corporation formed under the Colorado Revised Nonprofit Corporation Act, and all of the powers and duties provided for in the Act. The Association shall have the power to assign its right to future income, including the right to receive Common Expense assessments, as set forth herein. The Association shall not be deemed to be conducting a business of any kind, and all funds received by the Association shall be held and applied by it for the Owners in accordance with the provisions of this Declaration, the Articles, and the Bylaws.

The Board shall have all the powers, authority and duties granted or delegated to it by the Act, this Amended Declaration, the Articles or Bylaws. Except as provided in the Act, this Amended Declaration, the Articles or Bylaws, the Board may act in all instances on behalf of the Association. The Association shall have all the powers, authority and duties permitted under the Act and under the Colorado Revised Nonprofit Corporation Act (“CRNCP”). The Association, acting through the Board, may (without specific authorization in the Amended Declaration):

- (a) Adopt and amend any rules and regulations of the Association, policies and procedures required by the Act (“**CCIOA Policies**”), Design Guidelines and/or Construction Rules;
- (b) Adopt and amend Bylaws;
- (c) Adopt and amend budgets for revenues, expenditures and reserves and collect Assessments;
- (d) Hire and terminate Managing Agent(s) and other employees, agents, and independent contractors;
- (e) Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Project as provided for herein;
- (f) Make contracts and incur liabilities;
- (g) Regulate the use, maintenance, repair, replacement and modification of Common Elements, and further lease or license, or permit the use of, by less than all Owners and/or non-Owners, on either a short or long-term basis, and with or without charge as the Board deems fit, any portion of the General Common Elements and/or any Unit owned by the Association;
- (h) Cause minor improvements to be made to the Common Elements;
- (i) Grant long or short-term easements, leases, licenses, and concessions through or over the Common Elements as provided herein;
- (j) Impose and receive any payments, fees or charges for the use, rental or operation of the General Common Elements as provided herein;
- (k) 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 for violations of the Association Documents;
- (l) Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments;
- (m) Provide for the Association’s indemnification of its officers and members of the Board, and to maintain directors' and officers' liability insurance as determined to be appropriate by the Board or the Owners;

- (n) Borrow funds to cover Association expenditures and pledge Association assets as security therefor, subjecting Common Elements to a security interest in connection therewith;
- (o) Assign, pledge, and collateralize its right to future income, including the right to receive Assessments;
- (p) Exercise any other powers conferred by this Amended Declaration or the Bylaws;
- (q) Exercise all other powers that may be exercised in Colorado by legal entities of the same type as the Association; and
- (r) Exercise any other powers necessary and proper for the governance and operation of the Association.

The Board may not, however, act on behalf of the Association to amend this Amended Declaration, to terminate the Community, or to elect members of the Board or determine the qualifications, powers and duties, or terms of office of Board members, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term. The Board may, by resolution, delegate portions of its authority to officers of the Association, but such delegation of authority shall not relieve the Board of the ultimate responsibility for management of the affairs of the Association. No member of the Board and no officer shall be liable for actions taken or omissions made in the performance of such member's or officer's duties except for wanton and willful acts or omissions.

5.3 Delegation by the Board of Directors. The Association, acting through the Board, may employ or contract for the services of a Managing Agent to act for the Association and the Board and the officers according to the powers and duties delegated to the Managing Agent pursuant to the Bylaws or the resolution of the Board. Neither the Board nor any officer of the Association will be liable for any omission or improper exercise by a Managing Agent of any such duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

5.4 Common Elements Maintenance. The Association shall be obligated to, and shall, provide for the care, operation, management, maintenance, improvement, repair and replacement of the General Common Elements and for utility service to the General Common Elements and to Units. The Association shall also be obligated to provide and care for its appropriate share of the management, care, and expense of the General Common Elements. Without limiting the generality of the foregoing, said obligations shall include keeping the General Common Elements in good, clean, attractive and sanitary condition, order and repair; removing snow and any other

materials from the General Common Elements to permit access to and throughout the Project to each Unit; keeping the Project safe, attractive and desirable; making necessary or desirable alterations, additions, betterments or improvements to or on the General Common Elements; and paying utility charges except separately metered utilities and trash collection services which shall be paid by the Owner or user of the spaces served thereby. No prior approval of Owners shall be required for such work but prior approval of the appropriate Association, acting through its Board, Members or Manager shall be required for all such work.

5.5 Party Wall.

a. Creation of Party Wall. Any Units which share a wall with another Unit (the “**Party Wall**”). The rights and obligations of the Owners regarding the Party Wall shall be governed by the provisions of this Section 5.5.

b. Easement for Encroachment. Mutual reciprocal easements are hereby established, declared, and granted for any encroachment of the Party Wall onto the Units affected. Every deed to a Unit, whether expressly so stating, shall be deemed to convey and be subject to such reciprocal easements.

c. Damage by Fire or Casualty. If the Party Wall or any portion thereof is destroyed or damaged by an action of the adjacent Unit occupants, the Owners of the Unit causing such damage to the Party Wall shall restore it at their sole cost. The right of any Owner to indemnity or contribution from the other Owner hereunder shall run with and be appurtenant to the land and shall pass to such Owner’s successors in title.

d. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Amended Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to the Party Wall and to the interpretation of this Amended Declaration.

5.6 Assessment Function. The Association may undertake or contract for any lawful activity, function, or service for the benefit, or to further the interests of all, some or any Owners of Units on a self-supporting, regular assessment, or special assessment basis.

5.7 Labor and Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as the services of such other personnel as said Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by said Association or by any person or entity with whom or which it contracts. The Association may obtain and pay for legal

and accounting services necessary or desirable in connection with operation of the Project or the enforcement of this Amended Declaration.

5.8 Real and Personal Property of Association. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise. The Association may lease or acquire and hold title to real property, in addition to holding title to the General Common Elements, for the performance of the Association's purposes and functions; provided, that the vote of sixty-seven (67% percent) of those Members (Unit Owners) voting in person or by proxy shall first be obtained at a regular or special meeting called for the purpose of approving any such leasing or acquisition of real property and the rental price therefor. Subject to the Rules and Regulations of the Association, if any, each Owner and each Owner's Guests may use such Association property. Upon termination of ownership of the Project and dissolution of the Association, the beneficial interest in any such property shall be deemed to be owned by the then Owners of the Units, an undivided one-twelfth (1/12th) interest by the Owner of each Unit.

5.9 Construction on Association Property. The Association may construct new improvements or additions to real property owned by the Association or demolish improvements thereon, provided that in the case of any improvements, addition or demolition (other than maintenance or repairs to same), the vote of seventy-five percent (75%) of those Members voting in person or by proxy shall first be obtained at a regular or special meeting called for the purpose of approving such plans and maximum total cost therefor.

5.10 Association Right to Utilize, Lease or License General Common Elements. The Association shall have the right to utilize portions of the General Common Elements for the furtherance of its duties, obligations, rights, or privileges. Such utilization may include, but is not limited to, the construction of improvements on the General Common Elements for recreational facilities. Any such improvements shall be undertaken by the Association in accordance with the provisions of this Amended Declaration. The Association shall have the right to make such use of General Common Elements as may be necessary or appropriate for it to perform the duties and functions which it is obligated or permitted to perform under this Amended Declaration. The Association shall have the right to license or lease to or permit the use of the General Common Elements or any Unit owned by the Association, by fewer than all of the Owners or by non-owners and with any charge by the Association which it deems desirable; provided, however, no such lease shall be for a term of longer duration than three (3) years. Any charge by the Association(s) for a license or lease shall be applied to reduce amounts to be raised by regular assessments.

5.11 Association Right to Borrow Money. The Association shall have the right to borrow funds to pay for any expenditures or outlay required to fulfill its duties, obligations, rights or privileges given to it by this Amended Declaration; provided, however, that in the event the loan proceeds exceed an amount equal to twenty-five percent (25%) of each Association's approved annual budget, the Association shall call a meeting to discuss the same and give thirty (30) days notice thereof to all Members the Association and shall obtain the approval of a majority of the votes present or represented at such meeting. Following such approval, the Associations may levy a regular or special assessment for the purpose of the payment of any funds so borrowed and may pledge as collateral for any such loans the assessment so levied together with the Association's real or personal property, including the General Common Elements.

5.12 Rules and Regulations. The Association may make and enforce reasonable and uniformly applied rules and regulations governing the use of Individual Spaces and of the General Common Elements. Such rules and regulations may, without limitation, regulate use of the General Common Elements to assure equitable use and enjoyment by all persons entitled thereto and require that draperies, shades, or other window coverings shall present a uniform and attractive appearance from the exterior of the Buildings. Any such rules and regulations made by the Association may be amended from time to time by Member Action.

The Association shall furnish each Owner with a written copy of the rule or regulations adopted herein; however, failure to furnish said copy shall not be deemed to invalidate said rules or regulations to any extent.

Each Association shall have the right to enforce any of the rules and regulations or the obligations of any Owner under this Amended Declaration by suspending the right of such Owner to use any recreational areas and facilities within the Project and/or suspending the right of such Owner to vote at meetings of the Association; provided that such use and/or voting suspension may not be imposed for a period longer than thirty (30) days per violation. No penalty may be imposed under this paragraph until the Owner accused of any such violation has first been notified in writing of the violation and afforded the right to have a hearing before the Members, or has, in writing, waived such right. Each such Owner shall have the right to be heard in person, by submission of a written statement, or through a spokesman, at any such hearing. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations, or other obligations or to obtain injunctive relief and damages for noncompliance, all to the extent permitted by law.

5.13 Implied Rights. The Association shall have and may exercise any right or privilege given to it expressly by this Amended Declaration, or reasonably to be implied from the provisions of this Amended Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights, or privileges.

- VI. THE ASSOCIATION. General Purposes and Powers. The Association shall perform the functions and hold and manage property, and exercise the powers as provided in C.R.S, 38-33.3-302, and in these Amended Declarations where not inconsistent with the statute, to further the interests of Owners of Units in the Project. It shall have all powers necessary or desirable to effectuate these purposes.Membership. Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall be a Member of the Association. Membership in the Association shall be appurtenant to the fee simple title to each Unit and title to and ownership of the Membership for the Unit shall automatically pass with fee simple title to the Unit. Each Owner of a Unit shall automatically be entitled to the benefits and subject to the burdens relating to the Membership for this Unit. If fee simple title to a Unit is held by more than one person or entity, the membership appurtenant to that Unit shall be shared by all such persons or entities in the same proportionate interest and by the same type of ownership as fee simple title to the Unit is held. Memberships in each Association shall be limited to Owners of Units in the Project.Member Action. Unless otherwise herein provided, the Association shall make all decisions, take all actions, exercise all powers and fulfill all obligations required hereunder by Member Action, which shall consist of the affirmative vote of the Owners of a majority of the Units at any meeting called in accordance herewith, or without a meeting, by the written approval of any particular action by the Owners of not less than eight (8) of the Units, provided that the Owners of all of the Units are provided an opportunity to approve or disapprove any such action in writing. Any reference herein to any exercise of authority by or fulfillment of any obligations enjoined upon the Association shall be undertaken by member Action, whether or not specifically expressed in any particular provision hereof.Voting of Owners. Each Unit shall have one (1) vote. Voting by proxy shall be permitted. In the event of multiple Owners of the same Unit, the voting rights of such multiple Owners shall not be divided but shall be exercised as if the Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Owner. The right to vote may not be severed or separated from any Unit, and any sale, transfer or conveyance or any new Unit to a new Owner or Owners shall operate to transfer the appurtenant voting rights without the requirement of any express reference thereto. Manager. The Association by member Action, from time to time and for a term to be specified in such action, may appoint a Manager to perform the various functions and exercise the various powers herein delegated by the Members and/or the Executive Board. The Manager may be one of the Owners or may be a third party hired by the Association and shall be reasonably compensated for its services and reimbursed for his expenses incurred in performance of his duties.Notices. All matters affecting the common interests of the Unit owners shall be decided at a meeting of the owners, unless such matter has been previously delegated to the Executive Board or the Manager. Each Owner shall be entitled to notice of any meeting at which such Owner has the right to vote. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be

voted on at the meeting which is known to each Association at the time notice of the meeting is given. Such notices shall be given not less than ten (10) nor more than fifty (50) days before the date for the meeting. Any notice shall be deemed given and any budget or other information or material shall be deemed furnished or delivered to a party at the time a copy thereof is deposited in the mail, postage or charges prepaid; addressed to the party, or, in any event, when such party actually receives such notice, information or material. Any notice, information or material shall be deemed properly addressed to an Owner if it is addressed to the name and address shown on the most recent written notice of name and address, if any, furnished to the appropriate Association by such Owner or, if a name and address is not so furnished, if it is addressed "To The Owner" at the address of the Unit or such Owner. Record Date. The Association or the Manager shall have the power to fix in advance a date as a record date for the purpose of determining Owners entitled to notice of or to vote at any meeting or to be furnished with any budget or other information or material, or to make a determination of Owners for any purpose. The Owners existing on any such record date shall be deemed the Owners for such notice, vote, meeting, furnishing of information or material or other purpose and for any supplementary notice, or information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall not be more than fifty (50) days prior to the date on which the particular action requiring determination of Owners is proposed, or expected to be taken or to occur. If no record date is established for a meeting the date on which notice of such meeting is first given to any Owner shall be deemed the record date for the meeting. Quorums. The presence of Owners who hold votes equal to one-half (1/2) of the total voting power of the Association, in person or by proxy, at a meeting to consider a matter shall constitute a quorum for consideration of that matter. If a quorum is established for consideration of that matter, except if a greater percentage of votes are required under a specific provision of this Amended Declaration, a majority of the votes cast on the matter or, in the case of elections in which there are more than two candidates, a plurality of votes cast, shall decide the matter.

VII. ASSESSMENTS AND BUDGET.

7.1 Assessments. Each Owner shall be obligated, and shall pay to the appropriate Association, amounts as hereinafter provided, which amounts are herein called Assessments. Assessments shall include Regular, Special Assessments and Reimbursement Assessments. Subject to the provisions hereof, the Association by Member Action, shall have the power and authority to determine all matters in connection with Assessments, including, without limitation, power, and authority to determine where, when, and how Assessments should be paid to the Association, and each Owner shall comply with all such determinations.

7.1.1 Regular Assessments.

- (a) A Regular Assessment shall be made annually against each Unit, based upon an annual Budget prepared by the Executive Board for purposes of paying (i) the annual costs of operating and administering the Association and all other Common Expenses, (ii) the costs of services rendered or expenditures incurred by the Association to or for less than all Units (but not including Common Expenses), which shall be assessed only to the Units benefitted and then equally among them, (iii) reasonable reserves for contingencies, replacements, and other proper purposes, and (iv) such other matters as may be reasonably determined by the Executive Board to be the subject of a Regular Assessment;
- (b) Regular Assessments shall be allocated in accordance with the Allocated Interests of each Unit in the Community, except that (i) any Common Expense or portion thereof benefitting fewer than all of the Units shall be assessed exclusively against the Units benefitted; and (ii) any Common Expense associated with the maintenance, repair, improvement or replacement of an exterior improvements shall be assessed only against the Unit(s) for which those improvements are located. If Common Expense liabilities are reallocated, Common Expense Assessments and any installment thereof not yet due shall be reallocated in accordance with the reallocated Common Expense liabilities.
- (c) Regular Assessments shall be levied on a calendar year basis. Regular Assessments shall be paid in installments on a monthly, quarterly or semi-annual basis, as the Executive Board may determine from time to time, and shall be due either on the first day of each calendar month or on the first day of each calendar year quarter (January 1, April 1, July 1 and October 1), or on the first day of a semi-annual period (e.g. January 1, July 1) as appropriate. Unless and until changed to a monthly or semi-annual system by the Executive Board, Regular Assessments shall be due and payable on the first day of each calendar quarter. Any Owner acquiring a Unit between installment due dates shall pay a pro rata share of the immediately preceding installment.
- (d) The Executive Board shall fix the amount of the Regular Assessment, using the Budget procedure described below, at least thirty (30) days before the end of each calendar year. Written notice of the Regular Assessment shall be sent to each Owner. Failure of the Executive Board to timely to fix and levy the Regular Assessments for any year or to send a notice thereof to any Owner shall not relieve or release any Owner from liability for payment of Regular

Assessments or any installments thereof for that or subsequent years as soon as the Executive Board levies the Regular Assessment and provides notice thereof.

- (e) The Executive Board shall also mail to each Owner at least ten (10) days prior to the due date thereof a written notice of the amount of the next quarterly (or monthly or semi-annual, as the case may be) installment of Regular Assessment that is due from such Owner, and the date on which such installment is due pursuant to subparagraph (d) above. Failure of the Executive Board to send timely notice to any Owner of an installment of Regular Assessment due shall not relieve or release any Owner from liability for payment of that installment as soon as the Executive Board in fact provides such notice.

7.1.2 Special Assessments. In addition to the Regular Assessments and Reimbursement Assessments authorized in this Article, the Executive Board may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, maintenance, or replacement of capital improvements (including related fixtures and personal property) to or upon or serving the Community, or for excess reconstruction costs or other extraordinary expenses, or for funding any operating deficit of the Association. Except in the event of an emergency, or an excess tort liability, where no membership vote shall be required, the Executive Board shall not levy a Special Assessment without the approval of the Owners in the Community as provided below.

Written notice of any meeting called for the purpose of levying a Special Assessment shall be sent to all Owners no less than thirty (30) or more than fifty (50) days before the meeting. At the meeting, the presence of Owners in person or by proxy that are entitled to cast fifty percent (50%) of the votes in the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called pursuant to the same notice requirements, and the required quorum at this second meeting shall be only thirty percent (30%) of the votes in the Association. No such second meeting shall be held more than sixty (60) days following the date of the first meeting.

Provided a quorum of Owners entitled to vote is present in person or by proxy, in accordance with the quorum requirements set forth in the preceding paragraph, then the affirmative vote of a majority of the Owners so present shall constitute approval of the proposed Special Assessment.

For purposes of this section, the term "**emergency**" shall mean any circumstances or set of circumstances which pose an imminent threat of loss, damage, or injury, actual or threatened, to persons or property. Special Assessments shall be allocated in the same manner as Regular Assessments, that is, in accordance with the Allocated Interests of each Unit in the Community and shall be due and payable to the Association on the due

date fixed by the Executive Board in the notice given to the Owners of such Special Assessment, which due date shall be no earlier than thirty (30) days after the giving of such notice.

7.1.3 Reimbursement Assessments. In addition to the Regular and Special Assessments authorized hereunder, the Executive Board may levy against any Owner or Owners, at any time and from time to time, a Reimbursement Assessment for purposes of reimbursing the Association for all costs and expenses incurred by it in enforcing any provision of or in remedying any violation of this Amended Declaration, the Articles and Bylaws, or any Rules and Regulations, by such Owner or Owners, their Occupant(s), or their agents, employees or contractors. Reimbursement Assessments may also be made by the Executive Board for any other purposes for which this Amended Declaration provides for the levying of a Reimbursement Assessment. Finally, and in addition to the foregoing, a Reimbursement Assessment may also be levied in the form of a reasonable fine against an Owner for a violation of this Declaration, the Articles, Bylaws, or the Rules and Regulations, but only after the Owner(s) to be so fined have been provided with Notice and Hearing. Reimbursement Assessments shall be due and payable to the Association on the due date fixed by the Executive Board in the notice given to the Owner(s) of such Reimbursement Assessment, which date shall be no earlier than thirty (30) days after the giving of such notice.

7.2 Association Budget. The Executive Board shall adopt a Budget which establishes a Regular Assessment for the Owners. Annually, the Executive Board shall prepare or cause to be prepared an operating budget (the "**Budget**") for the next calendar year. The Budget shall provide for the allocation of any surplus funds remaining from any previous Budget period in accordance with §38-33.3-314 of the Act. Within thirty (30) days after adoption of any proposed Budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the Budget not less than fourteen (14) nor more than sixty (60) days after the mailing or other delivery of the summary. Such meeting may, but need not be, concurrent with the annual meeting of the Members as provided in the Bylaws. Unless at that meeting sixty-seven percent (67%) of all Owners reject the Budget, the Budget shall be ratified, whether or not a quorum of Owners is present. If the proposed Budget is rejected, the Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Executive Board.

7.3 Apportionment of Assessments. The Assessments shall be made on a ratable basis, with Owners of each Unit being assessed for one-twelfth (1/12th) (the "**Allocated Interest(s)**") of the total Assessment whether a Regular Assessment or Special Assessment.

7.4 Time for Payments. Unless otherwise established by Member Action, the amount of an Assessment or other amount payable with respect to any Owner or Unit shall become due and payable uniformly as specified by the Association or the Manager and, in any event, thirty (30) days after any notice of the amount due as to such Assessment or other amount shall have been given by the Manager to such Owner, and any such amount shall bear interest at the maximum rate allowed by law from the date due and payable until paid at the rate established from time to time by Member Action.Lien for Assessments and Other Amounts. Each Association shall have a lien against each Unit to secure payment of an Assessment or other amount due and owing to such Association with respect to the Owner of that Unit or with respect to such Owner's Guests or Unit, plus interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorney's fees. The lien may be foreclosed in the manner for foreclosures of mortgages in the State of Colorado. If any Owner is deemed to be in default hereunder and fails to cure such default within thirty (30) days, the appropriate Association shall give written notification of such default to any First Mortgagee of the Unit owned by such Owner whose name and address is expressly provided in the recorded mortgage, deed of trust or other lien. The lien for Assessments shall have priority over all other liens and encumbrances on or against a Unit except for the lien for general ad valorem taxes and the lien of a First Mortgage.Estoppel Certificate. Upon the payment of a reasonable fee as the same shall be established from time to time by Member Action and upon written request of any Owner or any person with any right, title or interest in a Unit or intending to acquire any right, title or interest in a Unit, the Association shall furnish a written statement setting forth the amount of Assessments or charges, if any, due or accrued and then unpaid with respect to the Unit, the Owner, and such Owner's Guests and the amount of the Assessments for the current fiscal period of the Association payable with respect to the Unit, which statement shall, with respect to the party to whom it is issued, be conclusive against the appropriate Association that no greater or other amounts were then due or accrued and unpaid.Liability of Owners, Purchasers and Encumbrances. The amount of any Assessment charge owing to the Association by any Owner under this Amended Declaration shall be a personal obligation to the Association of such Owner and such Owner's heirs, personal representatives, successors, and assigns. A party acquiring fee simple title to a Unit, by means other than foreclosure of a First Mortgage, shall be jointly and severally liable with the former Owner for all amounts which had accrued and which were payable at the time of the acquisition of fee simple title to the Unit by such party without prejudice to such party's right to recover any of said amounts paid from the former owner. Each such amount, together with interest thereon, may be recovered by suit for a money judgment by the appropriate Association without foreclosing or waiving any lien securing the same.USE AND OTHER RESTRICTIONS, Individual Space Restriction, Units.

- i. Each of the Units shall be used and occupied for single family residential purposes only, and none of such Units shall be used at any time for business or commercial activity except that an Owner may lease or rent his Unit for such

single-family residential purposes, provided that any such lease or tenancy is for a period of not less than thirty (30) days. Provided, however, that each Unit may have up to two (2) additional individual renters or tenants, but in no case shall more than two (2) occupancies occupy one bedroom.

- ii. Leases shall be provided to the Board by the Owners upon request.
- iii. All tenants shall be subject to the terms and conditions of this Amended Declaration, the By-Laws of the Association, the Articles of Incorporation and the rules and regulations from time to time promulgated thereunder by the Board of the Association.
- iv. Each owner agrees to cause his lessee, occupant or persons living with such owner or with his lessee to comply with the Amended Declaration, By-Laws and the rules and regulations promulgated thereunder, and is responsible and liable for all violations and losses caused by such tenants or occupants, notwithstanding the fact that such occupants are, as well, fully liable for any violation of the documents and regulations; failure to comply shall be, at the Board's option, considered a default in the lease.
- v. In the event that a lessee, occupant or person living with the lessee violates a provision of the Amended Declaration, By-Laws, or rules and regulations adopted pursuant thereto, the Board shall have the power to bring an action or suit against the lessee to recover sums due for damages or injunctive relief, or for any other remedy available at law or equity, including, but not limited to, all remedies available to a landlord upon the breach or default of the lease agreement by the lessee.
- vi. The Board shall also have the power to impose reasonable fines upon the lessee for any violation by the lessee, occupant or person living with the lessee of any duty imposed under the Declaration, By-Laws or rules and regulations adopted pursuant thereto, and to suspend the right of the lessee, occupant or person living with the lessee to use the Common Area.

B. PUD Regulation. All uses of all Units as well as the General Common Elements shall be subject to, governed, restricted, and regulated by the provisions of the PUD Regulation.

8.2 Common Elements Restrictions. No Owner, and not Owner's Guest, shall obstruct, damage, or commit waste to any of the General Common Elements. No Owner, and no Owner's Guest, shall change, alter, or repair, or store anything in or on, any of the General Common Elements without the prior written consent of the Association. No additions, alterations, changes, or improvements shall be constructed, made, done, or permitted to the Real Property or Unit by any Owner, Occupant, or employee or agent thereof, without the prior written approval of the Board. Without limiting the generality of the foregoing, the restrictions shall apply to and include (i) alteration or change of any structural elements of a Unit, including the roof, (ii) painting or other alteration or change of the exterior of a Unit, including doors and windows, or (iii) addition, alteration, change or removal of any landscaping, parking or hardscape utilized in any landscaping. The foregoing restrictions shall not apply to nonstructural additions, alterations, changes, or improvements to the interior of a Unit, that are not visible from outside the Unit, and that are in compliance with all applicable laws, ordinances, regulations and codes. Except for alterations to the Real Property which have received the prior written approval of the Board, no Owner or Occupant shall have any right to alter, change or improve in any way the exterior of the General Common Elements or any part thereof.

If an Owner applies for approval to modify the exterior of a Unit, the Board shall exercise its best judgment to the end that all modifications conform to and harmonize with neighboring structures. The Board shall have the absolute right to deny any requested changes which the Board reasonably determines do not conform to and harmonize with neighboring structures.

8.3 No Imperiling of Insurance. No Owner and No Owner's Guest shall, without the prior consent of the Association, do anything or cause anything to be kept in or on the Project which might result in an increase in the premiums for insurance obtained for the Project or which might cause cancellation of such insurance. No Violation of Law. No Owner and no Owner's Guest shall do anything or keep anything in or on the Project which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No Noxious, Offensive, Hazardous or Annoying Activities. No noxious or offensive activity shall be carried on upon any part of the Project nor shall anything be done or placed on or in any part of the Project, which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No activity shall be conducted, and no improvements shall be made or constructed, on any part of the Project which are or might be unsafe or hazardous to any person or property. No sound shall be emitted on any part of the Project which is unreasonably loud or annoying to others. No odor shall be emitted on any part of the Project which is noxious or offensive to others. No light shall be emitted from any part of the

Project which is unreasonably bright or causes unreasonable glare. No Unsightliness. No unsightliness shall be permitted on or in any part of the Project. Without limiting the generality of the foregoing, nothing shall be kept or stored on or in any of the General Common Elements, nothing shall be hung or placed upon any of the General Common Elements, and nothing shall be placed on or in windows or doors of Individual Spaces which would or might create an unsightly appearance. Restriction on Signs. No signs or advertising devices of any nature shall be erected or maintained on any part of the Project without the prior written consent of the appropriate Association. Such Association shall permit the placing of at least one sign of reasonable size and dignified form to identify the Project and the Units therein. All signage shall comply with Section 18.50.080 Street Graphics of the Carbondale Municipal Code. Antennas. No radio, television or other type of antenna shall, without the written consent of the Association, be installed or maintained on the roof or exterior of the Building. Maintenance of Individual Space. Each Individual Space, and all improvements, fixtures, furniture and equipment therein shall be kept and maintained by the Owner thereof in a safe condition and in good repair. No structural alterations within any Individual Space shall be made and no electrical, plumbing, or similar work within any Individual Space shall be done without the prior written consent of the Association. Each Owner shall be responsible for maintaining, repairing, and improving as necessary all interior elements and features of the Owner's Unit including interior non-supporting walls, ceilings, floors, improvements, fixtures, equipment, appliances and appurtenances, and for replacing broken windowpanes. Each Owner shall also be responsible for the installation, maintenance, repair, and replacement of such Unit's garage door opener. In addition, each Owner shall be responsible for any damage to other Unit or Common Elements resulting from the Owner's failure to perform or negligent performance of the Owner's maintenance and repair responsibilities as set forth herein. Each Owner shall perform the Owner's maintenance and repair responsibilities in such manner as shall not unreasonably disturb or interfere with other Owners or occupants. If an Owner fails to perform any such maintenance or repair obligations within 30 days following receipt of a written notice from the Board requesting the same, the Board shall have the right to enter upon the Unit of the Owner to perform such obligations on the Owner's behalf and to levy and collect a Reimbursement Assessment upon the Owner and the Owner's Unit for the costs and expenses incurred by the Association in connection therewith.

8.10 No Violation of Rules. No Owner's Guests shall violate the rules and regulations adopted from time to time by either of the Associations whether relating to the use of Units, the use of the General Common Elements, or otherwise, and violations of the rules and regulations by any Owner's Guests shall be treated as a violation by such Owner and shall be enforceable in accordance with this Amended Declaration.

8.11 Owner Caused Damages. If, due to the act or neglect of an Owner or such Owner's Guests, loss or damage shall be caused to any person or property, including the Building, the General Common Elements, or any Individual Space, such Owner shall be liable and responsible for the same except to the extent that such damage or loss is covered

by insurance obtained by the Association and the insurer has waived its rights of subrogation against such Owner. The amount of such loss or damage may be collected by the Association from such Owner, and such amount shall be enforceable as an Assessment in accordance with this Amended Declaration.

8.12 Pets. There is a maximum of two (2) domestic pets that may be kept in a Unit if the pet is not a nuisance to other residents. No resident shall maintain or keep any pet which, in the sole discretion of the Board, is considered to be a danger to the Owners, management staff or residents in the Community or is otherwise considered to be a dangerous breed, as may be further defined in the Rules and Regulations. If a pet is deemed a nuisance by the Association, the resident having control of the pet shall be given a written notice to correct the problem and if not corrected, that resident will be required to remove the pet from the Community pursuant to, and in accordance with, any dispute resolution procedures as may be set forth in this Amended Declaration or the Policies and Procedures. Pets may not be kept for any commercial purposes. When on the General Common Elements, pets must be on a leash and under control. Feces left by pets on General Common Elements must be removed promptly by the owner of the pet or the person responsible for the pet. Pets shall not be allowed to defecate or urinate on any patio, balcony, or deck in the Community. Owner shall hold the Association harmless from any claim resulting from any actions of their pets, or the pets of their tenants, guests, or other invitees.

8.13 Association Landscaping & Fencing. All landscaping within the Community shall be the responsibility of the Association, and no Owner or occupant shall perform any landscaping activities within the Community (including without limitation the planting, grooming or removal of grass, trees, bushes or other vegetation, or the planting or tending of gardens) without the express prior written approval of the Board of Directors. Fences are not allowed unless permission to install a fence is approved in writing by the Board prior to installation.

8.14 Right of Entry. During reasonable hours and upon reasonable notice to the Owner or occupant of a Unit, any member of the Board, and any authorized representative thereof, shall have the right to enter upon and inspect any Unit, except for any Unit that is in fact occupied (which shall require the permission of the occupant except in the case of emergency, as provided for herein), for the purpose of ascertaining whether or not the provisions of this Amended Declaration have been or are being complied with and such individuals shall not be deemed guilty of trespass by reason of such entry.

8.15 Insurance Risks. No Unit may be used for any use which would constitute an unusual fire hazard, would result in jeopardizing any insurance maintained on any part of the Community or would result in any increase in the premium for that insurance.

8.16 Nuisance. No Unit, Common Element or Unit may be used for any use (i) constituting a public or private nuisance; (ii) consisting of the manufacture of any product; or (iii) which causes undue odor, noise, vibration or glare, including, without limitation, the use of any equipment or machine. No audio system in a Unit or on the Real Property may be operated in a manner that is audible from within any other Unit.

8.17 Garages and Parking.

8.17.1 No garage space may be used as living space.

8.17.2 All vehicles and motorcycles must be parked in the Unit's garage. Except for the Building known as the Aspen or East Building, the Owners may park one (1) additional vehicle in front of their garage. The Owners in the Building known as the Glenwood or West Building are prohibited from parking in front of their garage due to emergency vehicle access requirements.

8.17.3 While the Association may provide access to parking spaces in a parking lot in the Community, such parking spaces are not assigned. Operable vehicles may be parked on a first come basis. Any vehicles parked overnight must display a signed placard with the dates such parking is allowed signed by the Managing Agent or a member of the Board.

8.17.4 It is prohibited to park inoperable vehicles, RV, trailers, vehicles over seven feet in height or over 22 feet in length outside of a Unit garage.

8.17.5 While a business vehicle may be parked in a garage, no business may be operated from a garage.

8.18.6 No hazardous materials may be stored in a garage.

8.18.7 Only one vehicle may be parked in any designated parking space.

8.18.8 No vehicle may be parked in such a manner as to impede or prevent ready access to any entrance to or exit from a building or another Unit.

8.18.9 Any traffic flow markings and signs regulating traffic on the premises shall be strictly observed.

8.18.10 The Association may use parking spaces for snow storage as required in the Board's sole subjective discretion.

8.18.11 The Association may promulgate additional parking rules as it determines necessary.

8.19 Trash. No trash, ashes, building materials, firewood or other unsightly items should be thrown, dumped, or stored on the Project, except as designated by the Association. There shall be no burning or other disposal of refuse out of doors. Each Owner shall use the dumpsters in the garbage shed in the parking lot. Owners to dispose of their trash in the trash or recycling dumpsters and not dump anything outside of these dumpsters or leave any furniture or non-allowed items in the garbage shed. See rules and regulations for fines associated for non-compliance. There is a camera in the shed and each unit will be watched for proper disposal. Trash to be only the use of units and not for business disposal or any other use. The Association shall arrange for trash pick-up for the entire Community. There shall be NO construction waste in the community trash dumpsters and if a construction dumpster is needed for construction it should be approved with the HOA, per size and location.

8.20 Outside Burning. There shall be no exterior fires, including barbecues, without prior written approval of the Board. No Owner shall permit any condition upon a Unit which creates a fire hazard or is in violation of fire prevention regulations.

8.21 Recreational Equipment. No bicycles, tricycles, skateboards, roller blades or other types of wheeled, non-motorized vehicles, skis, ski boots and ski equipment (collectively, the "**Equipment**") may be left on or placed on any Common Element. All Equipment must be stored within a Unit.

8.22 Barbecue Grills. Grills of any kind are **prohibited** on any of the Common Elements. Unit Owners may place propane or gas grills on exterior patios or decks. Allowed gas grills must have a cover that is used when the grill is in use. There is also a limit of four burners for any allowed gas grill. **Charcoal grills are prohibited.**

8.23 Interior Unit Remodel. Owner must obtain prior written approval from the Board for any interior Unit remodel which will require use of a dumpster and/or use of the General Common Elements. No waste from an interior Unit remodel shall be placed in the community trash dumpsters. A dedicated dumpster for an interior Unit remodel must be approved by the Board as to its size, location, and length of time needed prior to placement of such dumpster. No dumpster will be approved to be placed on any grass area. The Board may approve the placement of a dumpsters in an approved parking space for up to fourteen (14) days maximum. Construction hours are limited to Monday through Friday between the hours of 9 a.m. to 5 p.m. Notwithstanding the foregoing, no construction shall be allowed on any state or federal holiday.

8.24 Smoking. Smoking is prohibited on the General Common Elements. Smoking in violation of this covenant shall constitute a nuisance pursuant to the terms of this Amended Declaration. Smoking shall include the inhaling, exhaling, breathing,

carrying or possession of any lighted cigarette, cigar, pipe, or other product containing any amount of tobacco or marijuana.

8.25 Flooring. Except for minor repairs, any replacement of an interior hard surface floor shall include appropriate sound-deadening base or other sound attenuating features acceptable to the Board. Prior to any replacement and/or installation of interior hard surface flooring, the Owner shall submit the materials planned to be used for prior written approval by the Board, such approval to be provided within the sole determination of the Board. The Board may consider any applicable guidelines in its determination.

8.26 Temperature. The interior temperature of a Unit shall be maintained at a minimum of 55 degrees to prevent pipes from freezing. Upon sale or vacating any Unit, Owners must transfer such utility and are prohibited from turning off the heat to ensure that pipes do not freeze.

8.27 Garage Doors. Except during times of ingress and egress, garage doors shall be closed. It is imperative that garage doors be kept closed when exterior temperatures are 55 degrees or lower. The water mains for each Unit are located in such Unit's garage and this is required to ensure that pipes do not freeze or cause damages to other Units.

8.28 Seasonal Lighting. Seasonal lighting may be displayed between October 1st and February 1st each year. All lighting shall be removed no later than February 1st and shall not be installed prior to October 1st. Seasonal lighting shall not create an unreasonable amount of light for adjacent Units or create a nuisance.

8.29 Limited Common Elements. Decks, balconies, and patios shall be used only for the purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. No rugs or other material shall be dusted from windows, balconies, decks, or patios by beating or shaking.

8.30 Health, Safety and Welfare, Rules and Regulations. In the event any uses, occupancies, activities, and facilities within the Community are deemed by the Board to be an unreasonable annoyance or nuisance, or to adversely affect the health, safety or welfare of Owners or Occupants, the Board may adopt reasonable rules and regulations of general application in order to appropriately restrict and regulate such uses, occupancies, activities or facilities within the Community. Such rules and regulations shall be consistent with the purposes and provisions of this Amended Declaration.

8.31 Entry. With the consent of an Owner, the Manager, or if there is no Manager, then the Board, may retain a pass key to each Unit. If the Owner does not so permit retention of a pass key, the Manager, or if there is none, the Board, its employees and/or agents may make a forcible entry into such Unit when the Manager or Board believe that an emergency requiring such entry exists or the Owner and/or Manager requires access to the water shut off in the garages. So long as entry is made upon a bona

fide belief of emergency or access to the water shut off, the Owner shall have no recourse for any such forcible entry against Manager or the Board or the person or persons who affect such forcible entry.

IX. INSURANCE.

9.1 Insurance Requirements Generally. The Association shall obtain, maintain, and keep in full force and effect at all times the following types of insurance, and the cost of said coverage shall be paid by the Association as a Common Expense:

9.1.1 *Casualty Insurance.* Property insurance on all Buildings, all fixtures that are part of such Buildings, all Common Elements, and improvements thereon (excepting any such improvements installed by Owners) within the Community. Such insurance shall not include or cover the finished interior surfaces of the walls, floors, and ceilings of the Units. Such insurance shall be for broad form covered causes of loss, including casualty, fire, and extended coverage insurance including, if available at reasonable cost, coverage for vandalism and malicious mischief and, if available and if deemed appropriate, coverage for flood, earthquake, and war risk. Such insurance shall, to the extent reasonably obtainable, be for 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, excavation, foundations, and other items normally excluded from property policies, and shall include such endorsements as the Board of Directors considers appropriate from time to time.

9.1.2 *Liability Insurance.* Comprehensive general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of Common Elements within the Community and covering public liability or claims of liability for injury to persons and/or property, and death of any person or persons. Such liability insurance shall, to the extent reasonably obtainable, (a) have limits of not less than Three Million Dollars (\$3,000,000.00) per person and Three Million Dollars (\$3,000,000.00) per occurrence; (b) insure the Executive Board, the Association and its officers, and their respective employees, agents and all Persons acting as agents; (c) include the Owners as additional insureds, but only for claims and liabilities arising in connection with the ownership, existence, use or management of Common Elements; (d) cover claims of one or more insured parties against other insured parties; and (e) be written on an occurrence basis.

9.1.3 *Worker's Compensation.* A Worker's Compensation policy, if necessary, to meet the requirements of law.

9.1.4 *Directors and Officers Liability Insurance.* The Association may, in its discretion, carry directors' and officers' liability insurance in such amount as the Board of Directors may deem appropriate.

9.1.5 *Other Insurance.* Such other insurance in such amounts as the Board of Directors shall determine, from time to time, to be appropriate to protect the Association or the Unit Owners, or as may be required by the Act.

9.1.6 *General Provisions Respecting Insurance.* Insurance policies carried pursuant to this Article above shall provide that (i) each Owner is 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; (ii) the insurer waives its rights of subrogation under the policy against the Association, each Owner, and any Person claiming by, through, or under such Owner or any other director, agent or employee of the foregoing; (c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a 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 an Owner covering the same risk covered by the policy, the Association's policy shall be the primary insurance. An insurer that has issued an insurance policy for the insurance to the Association and, upon request, to any Owner or holder of a security interest to whom a certificate or memorandum of insurance has been issued, at their respective last-known addresses.

Any loss covered by the property insurance policy described in this Section above must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance 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 Association, Owners and lienholders as their interests may appear. Subject to the provisions of Section 38.33.3-313(9) of the Act, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association Owners, and lienholders are not entitled to receive payments of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely restored or the Community is terminated.

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 Owners causing such loss or benefitting from such repair or restoration for all deductibles paid by the Association. In the event more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association. Insurance obtained by the Association shall, to the extent

reasonably possible, and provided Declarant reimburses the Association for any additional premium payable on account thereof.

Insurance policies and insurance coverage shall be reviewed at least annually by the Executive Board to ascertain whether coverage under the policies is sufficient considering the current values of Common Elements and in light of the possible or potential liabilities of the Association and other insured parties.

In no event shall insurance coverage obtained or maintained by the Association obviate the need for Owners and Occupants to obtain insurance for their own benefit.

9.1.7 Nonliability of Association or Board of Directors. Notwithstanding the duty of the Association to obtain insurance coverage, as stated herein, neither the Association nor any Executive Board member, shall be liable to any Owner, Occupant, mortgagee or other Person, if any risks or hazards are not covered by insurance, or if the appropriate insurance is not obtained because such insurance coverage is not reasonably obtainable on the Association's behalf, or if the amount of insurance is not adequate, and it shall be the responsibility of each Owner and Occupant to ascertain the coverage and protection afforded by the Association's insurance and to procure and pay for such additional insurance coverage and protection as the Owner or Occupant may desire.

9.1.8 Premiums. Premiums for insurance policies purchased by the Association and other expenses connected with acquiring such insurance shall be paid by the Association as a Common Expense, except that the amount of increase over any annual or other premium occasioned by the use, misuse, occupancy or abandonment of the Real Property or Unit or its appurtenances, or Common Elements, by an Owner or Occupant, may at the Executive Board election, be assessed against that particular Owner and his Unit as a Reimbursement Assessment.

9.1.9 Insurance Claims. The Association is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Executive Board has full and complete power to act for the Association in this regard, and may, in its discretion, appoint an authorized representative, or enter into an insurance trust agreement, wherein the trustee shall have the authority to negotiate losses under any policy purchased by the Association.

9.1.10 *Benefit.* Except as otherwise provided herein, all insurance policies purchased by the Association shall be for the benefit of, and any proceeds of insurance received by the Association or any insurance trustee shall be held or disposed of in trust for the Association, the Owners, or the occupants, as their interests may appear.

9.2 Other Insurance to be Carried by Owners. Each Owner is responsible for obtaining insurance coverage on the improvements, furnishings and other items of personal property belonging to an Owner or Occupant or a Unit, and public liability insurance coverage (including physical damage and liability insurance) upon each Unit. In addition, an Owner may obtain such other and additional insurance coverage on the Unit as such Owner in the Owner's sole discretion shall conclude to be desirable; provided however, that none of the insurance coverage obtained by the Owner shall operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners. No Owner shall obtain separate insurance policies on the Common Area.

9.3 Other Insurance by Association. Each Association shall have the power or authority to obtain and maintain other and additional insurance coverage, including casualty insurance covering personal property of the Association, fidelity bonds or insurance covering employees and agents of a particular Association and insurance indemnifying Members, Executive Board, Manager, employees, and agents of such Association.

9.4 Owner-Increased Premiums. If, as a consequence of the hazardous use of any Unit, or of any owner-installed improvements to any Unit, the premiums of any policy of insurance purchased by a particular Association are increased, or a special policy is required, the cost of such increase or special policy shall be payable by the owner of such Unit.

X. DESTRUCTION, CONDEMNATION, OBSOLESCENCE, AND RESTORATION OR SALE OF THE BUILDING.

10.1 Certain Definitions. The following terms shall have the following definitions; Substantial and Partial Destruction. "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Building, the excess of Estimated Costs of Restoration (as hereinafter defined) over Available Funds (as hereinafter defined) is fifty percent (50%) or more of the estimated Restored Value (as hereinafter defined) of

the Building. **"Partial Destruction"** shall mean any other damage of the Building or any part thereof. Substantial and Partial Condemnation. **"Substantial Condemnation"** shall exist whenever a complete taking of a particular Building or a part thereof has occurred under eminent domain or by grant or conveyance in lieu of condemnation has occurred, and the excess of the Estimated Costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of such Building. **"Partial Condemnation"** shall mean any other such taking by eminent domain or grant or conveyance in lieu of eminent domain. Substantial and Partial Obsolescence. **"Substantial Obsolescence"** shall exist whenever seventy-five percent (75%) of the Owners of a particular Building determine, by vote, that Substantial Obsolescence exists or whenever such Building or any part thereof has reached such a state of obsolescence or disrepair that the excess of Estimated Costs of Restoration over Available Funds is fifty percent (50%) or more of the estimated Restored Value of such Building. **"Partial Obsolescence"** shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence. Restoration. **"Restoration"**, in the case of any damage or destruction, shall mean restoration of a particular Building to a condition the same or substantially the same as the condition in which it existed prior to the damage or destruction; in the case of condemnation, shall mean Restoration of the remaining portion of such Building to an attractive, sound and desirable condition; and, in the case of obsolescence, shall mean restoration of such Building to an attractive, sound and desirable condition. Restored Value. **"Restored Value"** shall mean the value of a particular Building after Restoration as estimated by the Members of the Association. Estimated Costs of Restoration. **"Estimated Costs of Restoration"** shall mean the estimated costs of Restoration, as determined by the Members of the appropriate Association(s). Available Funds. **"Available Funds"** shall mean any proceeds of insurance or condemnation awards or payments in lieu of condemnation attributable to the Building plus a percentage of any uncommitted income or funds of the appropriate Association including funds from the capital reserve fund and the carry-over reserve fund of a particular Building. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the appropriate Association, including a Mortgagee, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner of a Unit for the condemnation or taking of that Owner's Individual Space. Determination by the Members. Upon the occurrence of any damage or destruction to a particular Building or any part thereof, or upon a complete or partial taking of the Building under eminent domain or by grant or conveyance in lieu of condemnation, the Members shall make a determination as to whether the excess of Estimated Costs of Restoration over Available Fund is fifty percent (50%) or more of the estimated Restored Value of the Building. In addition, the Members shall, from time to time, review the condition of the Building to determine whether Substantial Obsolescence exists. Restoration of a Building. Restoration of a particular Building shall be undertaken by the appropriate Association without a vote of owners in the event of Partial Destruction, Partial Condemnation or Partial Obsolescence but shall be undertaken in the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence only with the consent of the Owners of seventy-five (75%) of the Units in the Building and the consent of the First Mortgagees who hold security

interests in those Units. In the event the insurance proceeds actually received exceed the cost of Restoration when such Restoration is undertaken pursuant to this Article, the excess shall be paid and distributed to all of the Owners of Units in the Building, a ratable one-sixth (1/6th) share to each Unit Owner.

10.4 Sale of a Building. Either Building shall be sold in the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence unless consent to Restoration has been obtained from the owners of seventy-five (75%) of the Units in the Building and from the First Mortgagees who hold security interests in those Units. In the event of such sale, ownership of the Building under this Declaration shall terminate and the proceeds of sale and any insurance proceeds, condemnation awards or payment in lieu of condemnation shall be distributed by the Association to the Owners of Units in the Building on the basis of a one-sixth (1/6th) share to the Owner of each of the Units. Payments to be made to Owners hereunder shall be made jointly to Mortgagees as to Units which are mortgaged at the time of such payment. Authority of Association(s) to Restore or Sell. Either Association, as attorney-in-fact for each Owner, shall have full power and authority to restore or to sell the building and each Unit in the Building whenever Restoration or sale, as the case may be, is undertaken, as hereinabove provided. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be. Payment of Proceeds. All insurance proceeds or proceeds of sale shall be paid to the appropriate Association as trustee for all of the Owners and all Mortgagees, as the interest of such Owners and such Mortgagees may appear, subject to the obligation of such Association to restore the Buildings as provided herein. Special Assessments for Restoration. Whenever Restoration is to be undertaken, the appropriate Association may levy and collect Special Assessments from each Owner of a Unit in the Building to cover the costs and expenses of Restoration to the extent not covered by Available Funds, Such Special Assessments shall be apportioned one-sixth (1/6th) share of the total Special Assessment to the Owner of each Unit. Such Special Assessment shall be payable over such period as the Association may determine and shall be secured by a lien on the Unit of each such Owner as in the case of Regular Assessments. Notwithstanding any other provisions in this Amended Declaration to the contrary, in the case of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence, any such Special Assessment shall not be a personal obligation of any such Owner who did not consent to Restoration, but, if not paid, may be recovered only by foreclosure of the lien against the Unit of such Owner. Receipt and Application of Condemnation Funds. All compensation, damages or other proceeds constituting awards for a complete taking of the Building or a taking of part of the Building under eminent domain or by grant or conveyance in lieu of condemnation shall be payable to the appropriate Association. The amount thereof allocable to compensation for the taking of or injury to the Individual Space of a particular Unit or to improvements of any Owner therein shall be apportioned to the Owner of that Unit. The balance of the award shall be applied to costs and expenses of Restoration, if undertaken, and, to the extent not so applied, shall be allocated as follows: first, any portion of the award allocable to the taking of or injury to the General Common Elements shall be

apportioned among all Owners of Units in the Building, a one-sixth (1/6th) share to the Owner of each Unit; second, the amounts allocable to severance damages with respect to condemnation of a portion of the Building shall be apportioned among Owners with Individual Spaces in the Building which was not taken or condemned, on a ratable basis; and third, the amounts allocated to consequential damages or for other purposes shall be apportioned as the Association determines to be equitable under the circumstances. Reorganization in the Event of a Condemnation. In the event all of the Individual Space Units are taken in condemnation, the Unit containing that Individual Space shall cease to be part of the Project, the Owner thereof shall cease to be a Member of the Association, and any interest in General Common Elements appurtenant to that Individual Space shall automatically become vested in the Owners of the remaining Units in the Building on a ratable basis. Voting. Except as is provided in this Article X, the Votes of all Owners of twelve (12) all Units, in both Buildings, shall be considered one hundred percent for such voting purposes. MISCELLANEOUS.

11.1 Duration of Amended Declaration. The term of this Amended Declaration shall be perpetual until this Amended Declaration is terminated or revoked as hereinafter provided. Amendment and Termination. Any provision contained in this Amended Declaration may be amended, or additional provisions may be added to this Amended Declaration, or this Declaration and owners of the Project may be terminated or revoked, by the recording of a written instrument or instruments specifying the amendment or addition of the fact of termination and revocation, executed by sixty-seven percent (67%) of all Owners of the Units. Effect of Provisions of Amended Declaration. Each provision of this Amended Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Amended Declaration, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Amended Declaration: (a) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in the appropriate Building or in any Unit is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument; (b) shall, by virtue of acceptance of any right, title or interest in the appropriate Building or in any Unit by an Owner, be deemed accepted, ratified, adopted, and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representative, successors and assigns and, as a personal covenant of an Owner, shall be deemed a personal covenant to, with and for the benefit of the appropriate Association, but not to, with or for the benefit of any other Owner; and (c) shall be deemed a covenant, obligation and restriction secured by a lien in favor of the appropriate Association, burdening and encumbering the title to the appropriate Building and each Unit in favor of the appropriate Association. Enforcement and Remedies. In addition to any other remedies herein provided, each provision of this Amended Declaration with respect to an Owner or the Unit of an Owner shall be enforceable by the appropriate Association(s) or by any individual Owner by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or both. If any court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Amended Declaration; the prevailing party shall be entitled to recover from

the losing party its costs and expenses in connection therewith, including reasonable attorney's fees. Furthermore, if any violation or breach of this Declaration shall also constitute a violation of the Ordinance of the Town of Carbondale approving the condominium exemption for this Project, or any other Town Ordinance, in addition to any remedy as provided by law, the Town may enforce the provisions of this Amended Declaration and may recover reasonable attorney's fees, if successful.

11.5 Protection of Encumbrancer. No violation or breach of, or failure to comply with, any provision of this Amended Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any First Mortgage or Deed of Trust on any Unit taken in good faith and for value and perfected by recording in the Office of the County Clerk and Recorder of Garfield County, Colorado prior to the time of recording in said office of an instrument describing the Unit and listing the name or names of the Owner or Owners of fee simple title to the Unit and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such First Mortgage or Deed of Trust or the title or interest acquired by any purchaser upon foreclosure of any such mortgage or deed of trust or by deed in lieu of foreclosure or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure or by deed in lieu of foreclosure shall, however, take subject to this Amended Declaration except only (a) violations or breaches of, or failures to comply with, any provisions of this Amended Declaration which occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereto or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns, and (b) such purchaser shall take the property free of any claims for unpaid Assessments or other amounts against or applicable to the encumbered Unit. Limited Liability. Neither the Association nor its past, present or future officers or directors, nor any other employee, agent or committee member of the Association shall be liable to any Owner or Occupant or to any other Person for actions taken or omissions made except for wanton and willful acts or omissions. Without limiting the generality of the foregoing, the Association and the Board of Directors shall not be liable to any Owner or Occupant or other Person for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. Acts taken upon the advice of legal counsel, certified public accountants, registered or licensed engineers, architects or surveyors shall conclusively be deemed to be in good faith and without malice. To the extent insurance carried by the Association for such purposes shall not be adequate, the Owners severally agree to indemnify and to defend the Association and the Board of Directors against claims, damages or other liabilities resulting from such good faith action or failure to act.

11.7 Successors and Assigns. This Amended Declaration shall be binding upon and shall inure to the benefit of the Association, and each Owner and the heirs, personal representatives, successors and assigns of each. Severability. Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or

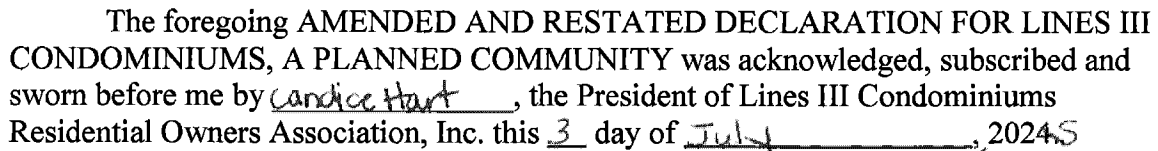
enforceability of any other provisions or any valid and enforceable part of a provision of this Amended Declaration.Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Amended Declaration.No Waiver. Failure to enforce any provisions of this Amended Declaration shall not operate as a waiver of any such provision or of any other provision of this Amended Declaration.Further Assurances. The Association and each Owner hereby agree to do such further acts and execute and deliver such further instruments as may reasonably be required to effectuate the intent of this Amended Declaration.Word Usage. The use of the masculine gender herein shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, whenever the text so requires.

11.13 Conflicts between Documents. In the event of any conflict or inconsistency between the provisions of this Amended Declaration and the Map, the provisions of the Map shall govern and control and this Amended Declaration shall automatically be amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of the Map. In the event of any conflict or inconsistency between this Amended Declaration and the Articles and Bylaws of the Association, this Amended Declaration shall control. In the event of any conflict or inconsistency between the Articles and the Bylaws of the Association, the Articles shall control.

11.14 Association as Attorney-in-Fact. Except as otherwise provided herein, this Amended Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Project in the event of its destruction, damage, obsolescence, or condemnation, including the repair, replacement and improvement of any Units, Common Elements, or other portions thereof which may have been destroyed, damaged, condemned, or become obsolete. Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All the Owners irrevocably constitute and appoint the Association as their true and lawful attorney in their name, place, and stead, for the purpose of dealing with the Community and Project upon its damage, destruction, obsolescence, or condemnation as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary or its other duly authorized officers and agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed, or other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers herein granted.

IN WITNESS WHEREOF, the President of the Association has executed this Amended Declaration the day and year first above written.

Lines III Condominiums Residential
Owners Association, Inc.

[illegible]

My commission expires: 4/4/26

2982850.4

EXHIBIT A
CERTIFICATION OF THE SECRETARY OF THE ASSOCIATION


I, Conlan McCaugh, Secretary of the Lines III Condominiums Residential Owners Association, Inc., hereby certify that the requisite number of votes were made in favor of amending and restating the declaration as follows:

Owners

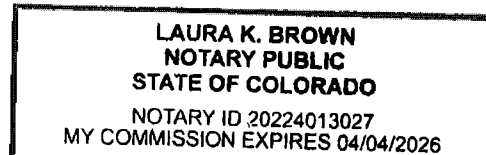
FOR: 9

AGAINST: 1

Lines III Condominiums Residential
Owners Association, Inc.


Name: Conlan McCaugh
Its: Secretary

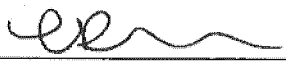
STATE OF Colorado)
)ss.
COUNTY OF Garfield)



The foregoing was acknowledged before me this 3rd day of July, 2024⁵, by Conlan McCaugh, as Secretary of Lines III Condominiums Residential Owners Association, Inc., a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 4/4/2026.


Notary Public