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**AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LAKESIDE TOWNHOUSE ASSOCIATION**

Indexing Note: Please index in the grantee's index under Lakeside Townhouse Association and in the grantor's index under Linsey Hempel.

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LAKESIDE TOWNHOUSE ASSOCIATION**

RECITALS

WHEREAS, Ramshire, Inc., a Delaware corporation, recorded that certain Declaration of Covenants, Conditions and Restrictions for the Lakeside Townhouses on November 20, 1975 at Reception No. 152641 of the real property records of Summit County, Colorado (the "Original Declaration"), which Original Declaration encumbered the eight Lots in Block 8 of the real property subject to the Phase "A" Summit Cove Filing No. 4, Lakeside Townhouses Plat recorded on December 20, 1974 at Reception No. 145703, which Plat provides for 45 Lots and Common Area.

WHEREAS, on October 25, 1985 at Reception No. 305800, a Declaration of Covenants, Conditions and Restrictions for The Lakeside II Townhouses was recorded in the real property records of Summit County, Colorado (the "Lakeside II Declaration"), which Lakeside II Declaration encumbered the remaining 37 Lots in Blocks 9, 10, 11, and 12, Summit Cove Filing #4.

WHEREAS, by the "Second Amendment" made effective January 1, 2009 by recording at Reception No. 903164, the property subject to the Lakeside II Declaration became subject to the Original Declaration, and the Lakeside II Declaration was terminated.

WHEREAS, the Swan Mountain Recreation Association referenced in the Original Declaration and the Lakeside II Declaration is not in existence and no Members of the Association are members of the Swan Mountain Recreation Association; however, Members of the Association may be members of the Summit Cove Recreation Association, and this document does not alter such membership or the rights associated with such membership.

WHEREAS, the Owners of at least 67% of the Townhouses (as such terms are hereinafter defined) subject to the Second Amendment and the Original Declaration desire to amend and restate all provisions of the Original Declaration by virtue of this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Lakeside Townhouses ("Declaration"), and intend, upon the recording of this Declaration, that all prior recorded declarations, amendments, and supplements shall be superseded and replaced in their entirety by this Declaration and shall no longer be in effect, but that any easements created by the Original Declaration, the Lakeside II Declaration, or any amendments thereto shall not be eliminated or vacated by this Declaration.

**ARTICLE I
DEFINITIONS**

Section 1.1 Act. The Colorado Common Interest Ownership Act, as it may be amended from time to time, and as applicable to communities created prior to July 1, 1992.

Section 1.2 Agencies. The Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), the Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities.

Section 1.3 Allocated Interests. The Common Expense liability and votes in the Association, allocated to Lots in the Community. The Common Expense liability for each Lot shall be determined by a fraction, the numerator of which is the area of a Lot and the denominator of which is the total square footage of all Lots in the Community, as shown on Exhibit A. Each Lot is entitled to one vote in the Association.

Section 1.4 Articles of Incorporation. The Articles of Incorporation of the Association as they may be amended from time to time.

Section 1.5 Assessments or Common Expense Assessments. The funds required to be paid by each Owner in payment of a Common Expense liability, including Annual Common Expense Assessments and Special Assessments, and any amounts assessed pursuant to Section 10.11, whether called a “deductible assessment” or “loss assessment”.

Section 1.6 Association. Means Lakeside Townhouse Association and its successors and assigns.

Section 1.7 Association Documents. Means this Amended and Restated Declaration, the Articles of Incorporation, the Bylaws, the Plat Map, Policies and the Rules.

Section 1.8 Board of Directors or Board. The Board of Directors of the Association duly elected pursuant to the Bylaws of the Association, the “Executive Board” as the term is used in the Act.

Section 1.9 Bylaws. The Bylaws of the Association, as they may be amended from time to time.

Section 1.10 Common Elements. Any real property within the Community owned or leased by the Association, or which the Association has a right to use or occupy, other than a Lot. The Common Elements are not dedicated for use by the general public. The Board may adopt a map depicting the Common Elements. The Original Declaration refers to the Common Elements as the Common Area.

Section 1.11 Common Expenses. The expenses or financial liabilities for the operation of the Community. These expenses include:

- A. Expenses of administration, maintenance, repair or replacement of any Common Elements or property owned or maintained (under an easement, license or contract) by the Association, including, but not limited to, costs to meet the Association's maintenance responsibility as provided in Section 6.1;
- B. Expenses declared to be Common Expenses by the Documents or by the Act;
- C. Expenses agreed upon as Common Expenses by the Board; and
- D. Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired, held, or maintained (under an easement, license or contract) by the Association.

Section 1.12 Community. The real property subject to this Declaration, as supplemented from time to time, and with respect to which a Person, by virtue of such Person's ownership of a Lot, is obligated to pay for real estate taxes, insurance premiums, maintenance or improvement of other real estate described in this Declaration. The Community is a planned community under the Act.

Section 1.13 County. Summit County, Colorado.

Section 1.14 Declaration. This document, including any supplements, amendments and plats.

Section 1.15 Director. A member of the Board of Directors.

Section 1.16 Documents. The Declaration and Plat recorded and filed pursuant to the provisions of the Act, the Bylaws, design guidelines, and the Rules as they may be amended from time to time. Any exhibit, schedule or certification accompanying a Document is a part of that Document.

Section 1.17 Exterior Surfaces. The exterior surfaces of the Townhouses, including, but not limited to, the exterior surfaces of walls, roofs and roof vents and associated flashing chimneys, doors and windows, gutters, downspouts, and insulated footers located between the ground and siding, but excluding any portions thereof which are glass, any screens on windows and doors, walks, porches, steps, and any Improvements contained within the backyards of any Lot, such as, without limitation, any deck or patio contained within such area. Gutters, downspouts, and other Improvements installed by an Owner or Owner's predecessor are not Exterior Surfaces that must be maintained, repaired, and replaced by the Association, but the Association is entitled to ensure that such Improvements are appropriately painted or stained at the time other Exterior Surfaces are painted or stained.

Section 1.18 Good Standing. An Owner who is no more than thirty (30) days late in the payment of any Common Expense Assessments, and who has none of his, her or its membership privileges suspended.

Section 1.19 Improvements. Any exterior construction, structure, fixture, landscaping or facilities existing or to be placed on a Lot constructed in the Community, or changes, alterations, modifications, expansions, or additions to any of the foregoing, or any change of exterior appearance, finish material, color or texture. Improvements include but are not limited to: buildings, outbuildings, patios, patio covers, awnings, solar collectors or panels, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, fences, screening walls, retaining walls, stairs, decks, drainage facilities, landscaping (including any material change in slope, pitch or drainage pattern), hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, basketball stands, trampolines, or other recreational or sporting equipment or structures, signs, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment. Listing an item as an “Improvement” does not mean the item may be installed in the Community.

Section 1.20 Limited Common Elements. Those parts of the Common Elements which are either limited to and reserved for the exclusive use of the Owner or Owners of a particular Lot or are limited to and reserved for the common use of the Owners of more than one, but fewer than all, of the Lots. Without limiting the foregoing, the Limited Common Elements include any patio or yard area designed to serve a single Townhouse and accessible from that Townhouse and located wholly or partially on the Common Elements; Common Element doorsteps, sidewalks, and porches that serve only an individual Lot; and any parking space which may be assigned for the exclusive use of Owners of a particular Townhouse.

Section 1.21 Lot. Each platted lot which is a physical portion of the Community, other than Common Elements, designated for separate ownership or occupancy, the boundaries of which are described on the Plat. The term “Lot” as used herein is synonymous with the term Unit as the latter term is used in the Act.

Section 1.22 Manager. A person, firm or other entity employed or engaged to perform management services for the Community and the Association.

Section 1.23 Member. All Owners of a Lot, collectively.

Section 1.24 Owner. A Person who is the owner of record of the fee title to any Lot, but not a Person having an interest in a Lot solely as security for an obligation.

Section 1.25 Party Wall. Any wall shared in common by any adjacent Townhouses, including, without limitation any such shared common wall which is located along the boundary line of any Lot. Without limiting the generality of the foregoing, Party Wall includes any two walls which meet the foregoing criteria and are separated by a small amount of air space.

Section 1.26 Permitted User. (a) Any person who resides with an Owner within the Community; (b) a guest or invitee of an Owner; or (c) an occupant or tenant of a Townhouse, and

any member of his or her household, or a guest, invitee or cohabitant of any such person.

Section 1.27 Person. A natural person, corporation, trust, partnership, limited liability company, association, joint venture, government subdivision or agency or other legal or commercial entity or combination thereof.

Section 1.28 Plat. The plat for the Community (as defined in C.R.S. §38-33.3-103 and §38-33.3-209) recorded December 20, 1974 under Reception No. 145703 with the office of the Summit County Clerk and Recorder, Summit County, Colorado, as it may be supplemented or amended from time to time.

Section 1.29 Property. The land and all Townhouses and Improvements that are subject to this Declaration. "Property" includes the 45 Townhome Lots and Common Area described on the Phase "A" Summit Cove Filing No. 4 Lakeside Townhouses plat recorded December 20, 1974 under Reception No. 145703, excepting that portion of the Property owned by the Swan Mountain Recreation Association and specifically described on the subdivision exemption plat of Country Run recorded September 30, 1986 at Reception Number 324996, which Property is more specifically described as follows:

Lots 1-8, Block 8,
Lots 1-13, Block 9,
Lots 1-8, Block 10,
Lots 1-6, Block 11 and
Lots 1-10, Block 12,

Summit Cove Filing No. 4, According the Declaration of Covenants, Conditions and Restrictions for The Lakeside Townhouses recorded November 20, 1975 at Reception #152641, as amended by the Second Amendment to the Declaration of Covenants, Conditions and Restrictions for The Lakeside Townhouses recorded on January 9, 2009 under Reception No. 903164 and the Phase "A" Summit Cove Filing No. 4 Lakeside Townhouses Plat recorded December 20, 1974 under Reception No. 145703, Summit County, Colorado.

Section 1.30 Rules. Rules, regulations, resolutions and policies adopted and amended from time-to-time by the Board of Directors for the regulation of the Community.

Section 1.31 Security Interest. An interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation. For purposes of Section 7.5 hereof and, with respect to notice of cancellation or substantial modification of certain insurance policies, to Section 10.4 hereof, "Security Interest" shall also mean and refer to any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is the seller, whether such contract is recorded or not, and whether such contract is owned by the said Administrator or has been assigned by the Administrator and is owned by the Administrator's assignee, or a remote assignee, and the land records in the office of the Clerk and Recorder of the County, show the Administrator as having the record title to the Lot.

Section 1.32 Special Assessments. Those Common Expenses Assessments defined in Section 7.3 below.

Section 1.33 Townhouse. The residence constructed on each Lot within the Community, including all appurtenances located on that Lot such as the front porch, patio, and basement, if any. As used in this Declaration, Townhouse shall include the Lot upon which such Townhouse is constructed.

ARTICLE II THE COMMUNITY AND ASSOCIATION

Section 2.1 The Community. The name of the Community is Lakeside Townhouses. It is a planned community.

Section 2.2 The Association. The name of the Association is Lakeside Townhouse Association. Members of the Association may, but are not required, to also be members of the Summit Cove Recreation Association. The Summit Cove Recreation Association determines its own qualifications for membership.

Section 2.3 Maximum Number of Lots. The maximum number of Lots in the Community is forty-five (45).

Section 2.4 Identification of Lots. The identification number of each Lot is shown on the Plat.

Section 2.5 Lot Boundaries. The boundaries of each Lot are located as shown on the Plat.

ARTICLE III THE COMMON ELEMENTS

Section 3.1 Title to the Common Elements. The Common Elements are owned by the

Association.

Section 3.2 Owners' Easements. Every Owner has a nonexclusive right and easement in and to the Common Elements for access to their Lots and for all other allowed purposes. This easement is appurtenant to and shall pass with the title to every Lot. Any Owner may delegate their right of enjoyment to the Common Elements to the members of their family, their Permitted Users, or contract purchasers who reside in their Townhouse. No Owner shall make any addition or alteration to any portion of the Common Elements, no matter how minor, without the express written consent of the Board, which consent may be withheld in the Board's sole and absolute discretion.

Section 3.3 The Association's Rights. The Owners' rights in the Common Elements are subject to the following rights of the Association:

- A. To convey or dedicate all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members to whom at least a majority of all the votes in the Association are allocated. The granting of permits, licenses and easements for public utilities or for other purposes consistent with the intended use of such Common Elements is not a conveyance or dedication within the meaning of this clause;
- B. To adopt, amend or repeal Rules governing the use of the Common Elements, and enforce penalties and sanctions for the infraction thereof;
- C. To take such steps as are reasonably necessary to maintain, repair, replace, restore or protect the Common Elements; and
- D. To close or limit the use of the Common Elements temporarily while maintaining, repairing, making replacements to or restoring the Common Elements.

Section 3.4 Payment of Taxes, Assessments or Insurance by Lenders. The holder of a security interest on a Lot has the right, jointly or singly, to pay taxes or other charges or assessments that are in default and that may or have become a lien against the Common Elements and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Elements, and any holders making any such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS: ASSOCIATION OPERATIONS

Section 4.1 Membership. Every record Owner of a Lot subject to this Declaration is a Member of the Association; each Lot has one Membership. Membership terminates on transfer of a fee simple title by the Owner, and may not be separated from Lot ownership. The Association's purposes and powers and the Members' rights and obligations set forth in this Declaration are amplified by the Articles of Incorporation, Bylaws, Rules and any design guidelines.

Section 4.2 Voting Rights. The Association has one class of voting membership. Members are entitled to one vote for each Lot owned. If more than one person owns a Lot, the Lot's vote shall be exercised as the co-owners determine between themselves. In no event may more than one vote be cast with respect to any Lot. The total number of votes that may be cast in connection with any matter is equal to the total number of Lots in the Association. No Owner who is not in Good Standing is entitled to vote on any matter. All Owners in Good Standing are entitled to vote in accordance with the provisions of this Declaration and the Bylaws.

Section 4.3 Board of Directors. The Association's affairs are managed by the Board of Directors. Except as otherwise provided in this Declaration or the Bylaws, the Board of Directors may act in all instances on behalf of the Association. The number, term and qualifications of the Board of Directors shall be fixed in the Articles of Incorporation and the Bylaws.

Section 4.4 Manager. The Association may employ or contract for the services of a Manager to whom the Board of Directors may delegate certain powers, functions and duties of the Association.

Section 4.5 Books and Records. Subject to provisions of the Act, the Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and Mortgagees, current copies of the Association Documents and the books, records and financial statements of the Association. The Association shall maintain such books and records as may be required under the Act.

Section 4.6 Address of Association. The address of the Association for purposes of receiving notices required by Colorado law, including without limitation, notices of foreclosure, shall be the address of the Association's principal place of business on file with the Colorado Secretary of State, as such address may be changed from time to time.

ARTICLE V POWERS OF THE EXECUTIVE BOARD OF THE ASSOCIATION

Section 5.1 Powers of the Board of Directors. Except for those matters expressly reserved to the Members as provided in the Association Documents, the Act and the Colorado Revised Nonprofit Corporation Act, the Board of Directors may act in all instances on behalf of the Association, to:

- A. Adopt and amend Bylaws and Rules, including, without limitation, the right to regulate uses within Townhouses that create, cause, alter sound transmission, vibration, odor or temperature of adjoining Townhouses;

- B. Determine Common Expenses and adopt and amend budgets for revenues, expenditures and reserves and collect Assessments;
- C. Hire and terminate managing agents and other employees, agents and independent contractors;
- D. 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 Property;
- E. Enter into contracts, leases, agreements, and licenses and incur liabilities, including entering into any agreement for professional management of the Association's business. Any such contract or agreement for professional management shall be terminable by the Association without cause and without payment of a termination fee upon not more than sixty (60) days prior written notice;
- F. Regulate the use, maintenance, repair, replacement and modification of Common Elements, and assign portions of the General Common Elements as Limited Common Elements;
- G. Cause additional improvements to be made as a part of the Common Elements;
- H. Grant easements, and licenses through, under, or over the Common Elements;
- I. Take such steps as reasonably necessary to protect the Common Elements from foreclosure;
- J. Close or limit the use of the Common Elements temporarily while maintaining, repairing and making replacements in the Common Elements, or permanently if approved by a vote of sixty-seven percent (67%) of the members present and entitled to vote at a meeting of the owners when a quorum is present;
- K. Enforce the provisions of this Declaration and the Bylaws and Rules of the Association;
- L. Impose charges (including without limitation, late charges and default interest at the rate specified herein) 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 provisions of the Association Documents or otherwise suspend other membership privileges (except that notice and opportunity to be heard shall not be required before suspension of membership privileges for failure to pay Assessments within thirty (30) days after they become due);

- M. Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments;
- N. Provide for the indemnification of its officers and Board of Directors and maintain directors' and officers' liability insurance;
- O. Borrow funds and secure such loans with an assignment of its right to future income, including the right to receive Assessments, provided that loans in excess of \$10,000 shall be approved by a majority of the Members, present, in person or by proxy, and entitled to vote at a meeting of the Members at which a quorum is present;
- P. Exercise any other powers conferred by the Declaration or Association Bylaws;
- Q. Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association, including without limitation, those powers specified by the Colorado Revised Nonprofit Corporation Act; and
- R. Exercise any other powers necessary and proper for the governance and operation of the Association.

Section 5.2 Liability of Association.

- A. The Association is not liable for injury or damage to person or property caused by or resulting from any water, rain, snow or ice that may leak or flow from any portion of the Common Elements or from any device, pipe, drain, conduit, appliance or equipment the Association maintains hereunder, except for injuries or damages arising only after the Owner of a Townhouse has put the Association on written notice of a specific leak or flow from any portion of the Common Elements or device, pipe, drain, conduit, appliance or equipment for which the Association has a maintenance responsibility, and only if the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter.
- B. The Association is not liable to the Owner of any Lot or such Owner's tenant, guest, agent, invitee or family for loss or damage, by theft or otherwise, of any property that is stored in or upon the Common Elements.
- C. The Association is not liable to any Owner, or any Owner's tenant, guest, agent, invitee or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities.

ARTICLE VI MAINTENANCE

Section 6.1 Association Maintenance Responsibilities.

- A. Common Elements. The Association shall manage, operate, insure, maintain, repair and replace all of the Common Elements and any improvements located thereon, including without limitation, lamp posts located on the Common Elements, entry signage, sidewalks not otherwise maintained by Owners, and monumentation. Owners are obligated to undertake the maintenance, repair, and replacement of Limited Common Elements solely associated with their Lots unless the Association, by Board resolution, undertakes specific components of such maintenance, repair, and replacement.
- B. Landscape Maintenance. The Association shall be responsible for the maintenance of the irrigation system and all landscaping on the Common Elements. The scope, timing, and appearance of the Association's landscaping maintenance is dictated solely by the Board. The Association shall have no maintenance, repair or replacement responsibility for any landscaping, Improvements, or decorations installed by Owners in any portion of the Community, or for any gravel, rock or similar material located inside the patio or deck next to the Townhouses.
- C. Drainage System. The Association shall be responsible for the maintenance, repair and replacement of any drainage structure (including underdrains and interceptor drains).
- D. Fences. The Association shall be responsible for the maintenance, repair and replacement of the perimeter fences located on the Common Elements, if any.
- E. Exterior Surfaces of Townhouses. Except as provided for in Section 6.2, the Association shall maintain, repair and care for all Exterior Surfaces of the Townhouses. The Association's responsibility under this Subsection E shall include the following: (1) painting and staining the Exterior Surfaces of the Townhouses which shall include all siding, doors, gutters and downspouts, windows and trim, but not decks or patios (the nature and type of any painting or refinishing, including the color and materials, shall be within the sole discretion of the Association); (2) maintenance, repair and replacement of roofs on the Townhouses; (3) maintenance, repair and replacement of the siding on the Townhouses; and (4) maintenance, repair and replacement of chimney exteriors, roof vents and associated flashing, but excluding internal components such as flues. Such maintenance, repair, replacement and care of Exterior Surfaces shall be done at the Association's expense except that, if the Association is required to incur costs and expenses of maintenance, repair, replacement or care due to the willful misconduct or negligent act or failure to act of an Owner or a Permitted User of an Owner, the amounts incurred shall be payable by such Owner to the

Association, secured by a lien as provided above in this Declaration.

- F. The Association may provide such other maintenance, repair and replacement as the Board of Directors deems appropriate from time to time, including without limitation, publicly-dedicated property (including pedestrian and vehicular accesses and roadways) and improvements located thereon. The Association's assumption of such maintenance shall be made in a uniform and non-discriminatory manner. It is expressly intended that while Owners are responsible for the maintenance, repair, and replacement of Improvements they and their predecessors have installed, the Association is entitled to paint and stain gutters, downspouts, and other exterior Improvements in connection with its work on other Exterior Surfaces to ensure continuity of the community's appearance.

Section 6.2 Owner Maintenance of Townhouses. Except as provided in this Declaration with respect to maintenance of the Common Elements and the Exterior Surfaces of Townhouses expressly required to be maintained by the Association as set forth in Section 6.1, all maintenance, repair and upkeep with respect to a Townhouse is the responsibility, and the expense, of the Owner of the Townhouse, including all interior surfaces and any improvements or upgrades to the interior of the Townhouse. This obligation applies notwithstanding the cause of the needed maintenance, repair, or replacement. All Townhouses shall be kept and maintained in good repair and in a clean, safe, attractive and sightly condition, including pest and rodent control as necessary, and in such a condition that the duty of the Association to maintain the Common Elements and Exterior Surfaces is not unreasonably increased. In terms of the exterior surfaces of Townhouses, Owners of Townhouses, at the Owner's cost and expense, shall be responsible for the maintenance repair and replacement of: (1) all glass, skylights, windows and trim on their Townhouses; (2) all doors and exterior doors on their Townhouse, except for painting or staining; (3) all screens on doors and windows of their Townhouse; (4) the foundations and structural supports of their Townhouse; (5) maintenance, repair and replacement of patios, decks and deck railings on their Lots or that serve their Townhouse; (6) maintenance, repair and replacement of water spigots affixed to their Townhouses; (7) maintenance, repair and replacement of air conditioning and heating equipment, sump pumps and other utilities and sewer and water lines serving their Townhouses from the point they connect to the common lines; (8) maintenance, repair and replacement of exterior light fixtures attached to their Townhouses, including bulbs; (9) stoops, porches and steps serving their individual Townhouses, even if located on Common Elements; (10) gutters and downspouts except as painted or stained by the Association; and (11) all water, sewer, electrical, and other utility lines that serve only one Townhouse. In the event this Declaration is silent regarding the maintenance, repair or replacement of any exterior surface or portion of a Townhouse, the Owners of the Townhouses shall be responsible for such maintenance, repair and replacement responsibilities unless expressly assumed by the Association in writing.

Section 6.3 Owner's Failure to Maintain. In the event an Owner fails to perform the required maintenance, repair or replacement for a period of thirty (30) days, the Association may, without any obligation to do so, notify the Owner of its intention to perform the maintenance, repair, or replacement if the failure continues for an additional period of thirty (30) days after such written notice. If the Owner's failure relates to snow removal on portions of the property from which Owners are required to remove snow, the Association may, without any obligation to

do so, undertake snow removal if the failure continues for a period of twenty-four hours after the end of the snowfall. The cost of such maintenance, repair or replacement, or snow removal, is the personal obligation of the Lot Owner.

Section 6.4 Right of Access. Any person authorized by the Board of Directors has the right of access to all portions of any Lot for the purpose of performing repairs or to do other work reasonably necessary for the proper maintenance of the Community and for the maintenance, repair or replacement in those areas specifically enumerated in this Declaration and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment, provided that reasonable notice of entry will be provided in advance, except that, in case of an emergency, no notice is required and the right of entry shall be immediate, and with as much force as is reasonably necessary to gain entrance, whether or not the Owner is present at the time.

Section 6.5 Snow Removal. Unless otherwise provided by the Association, Owners are obligated to perform snow removal from the sidewalks that serve their Lots. At such time, location, and depth as determined by the Board of Directors, the Association shall, upon resolution, be responsible for removal of snow from all or specified portions of the hard surface Common Elements.

Section 6.6 Repairs Resulting From Owner's Acts or Omissions. If the need for maintenance, repair or replacement of the Common Elements, a Lot, or any Improvements located thereon, is caused by the act or omission of an Owner, or by the act or omission of any Permitted User, the cost of such repair, maintenance, replacement or expense to avoid or mitigate such damage shall be the personal obligation of the Owner. If damage is inflicted on any Lot as a result of entry thereon by the Association, due to access under Section 6.4, the Association will be responsible to repair such damage.

ARTICLE VII ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 7.1 Purpose of Common Expenses. The Common Expense Assessments levied by the Association may be used to promote the recreation, health, safety and welfare of the residents of the Community and for all of those purposes and activities which may be required of the Association or which the Association may be empowered to pursue pursuant to this Declaration or the Articles of Incorporation or Bylaws of the Association or by law.

Section 7.2 Apportionment of Common Expenses. Except as provided elsewhere in this Declaration, all Common Expenses shall be assessed against all Lots in accordance with the Allocated Interests. The Allocated Interests in Common Expenses for each Lot shall be a fraction, the numerator of which is one and the denominator of which is the total number of Lots then in the Community. Any Common Expense associated with the maintenance, repair, or replacement of any Limited Common Element may be assessed against the Unit(s) to which the Limited Common Element is apportioned, in accordance with their respective Allocated Interests.

A. Annual Common Expense Assessment. Annual Common Expense Assessments

shall be sufficient to meet the expected needs of the Association and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. The Annual Common Expense Assessments shall include an adequate reserve fund for the maintenance, repair and replacement of those items that must be maintained, repaired or replaced on a periodic basis, and for the payment of insurance deductibles.

- B. Levy of Assessments. The Annual Common Expense Assessment shall be levied on an annual basis against all Lots and collected on a monthly basis. The omission or failure of the Board of Directors to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay. No assessment may be levied retroactively.

Section 7.3 Special Assessments. In addition to the Annual Common Expense Assessments authorized in this Article, but subject to the limitations set forth herein, the Association, by a vote of fifty-one percent (51%) of all Members, may levy, in any fiscal year, a Special Assessment for the purpose of: (1) defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement upon any portion of the Common Elements, including fixtures and personal property related thereto; or (2) for repair or reconstruction of any damaged or destroyed Improvements located on said Common Elements; or (3) for the funding of any operating deficit incurred by the Association. Any Special Assessment shall be levied against each Lot in accordance with the Allocated Interests in Common Expenses. Written notice of any meeting called for the purpose of taking any action authorized under this Section 7.3 shall be sent to all Members not less than ten (10) days nor more than fifty (50) days in advance of the meeting. Notwithstanding the foregoing, no Member approval is required for a Special Assessment imposed to defray insurance deductibles or shortfalls in insurance proceeds.

Section 7.4 Budget Adoption and Ratification. Within ninety (90) days after adoption of any proposed budget for the Community, the 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 the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary, or as allowed for in the Bylaws. The Board shall give notice to the Owners of the meeting as provided for in the Bylaws. The budget proposed by the Board does not require approval from the Owners and it will be deemed approved by the Owners in the absence of a veto at the noticed meeting by Owners to which fifty-one percent (51%) of the votes in the Association are allocated, whether or not a quorum is present. In the event that the proposed budget is vetoed, the periodic budget last proposed by the Board and not vetoed by the Owners must be continued until a subsequent budget proposed by the Board is not vetoed by the Owners.

Section 7.5 Lien. As provided for in the Act, the Association shall have a lien on a Lot from the time Common Expense Assessments become due.

Section 7.6 Certificate of Payment of Common Expense Assessments. The Association, upon written request, shall furnish an Owner or their designee, or a holder of a

security interest on a Lot or its designee, a written Statement setting out the amount of unpaid Common Expense Assessments against the Lot. Said request shall be delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the Association's registered agent. The Statement shall be furnished within fourteen (14) calendar days after receipt of the request, delivered personally or by certified mail, first class postage prepaid, return receipt requested, and is binding on the Association, the Board of Directors and each Owner. If no statement is furnished, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a lien upon the Lot for unpaid assessments which were due as of the date of the request.

Section 7.7 Effect of Nonpayment of Assessments. Any Common Expense Assessment not paid within fifteen (15) days after the due date thereof shall be delinquent, and shall be subject to imposition of a late charge determined by the Board of Directors, and if not paid within thirty (30) days from the due date, shall bear interest from the due date at the rate of twelve percent (12%) per annum, or at such lesser rate as may be set from time to time by the Board of Directors. Fees, including attorney fees, charges, late charges, fines and interest may be charged pursuant to the Act and the Documents due to late payment of Common Expense Assessments. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against such Lot. If a judgment or decree is obtained, including without limitation in a foreclosure action, such judgment or decree shall include interest on the Common Expense Assessment and attorney's fees, together with the costs of the action, and other fees.

Section 7.8 Acceleration of Common Expense Assessments. If any Owner does not make the payment of any Common Expense Assessment levied against their Lot within thirty (30) days of the date due, the Board of Directors has the right to declare all unpaid Common Expense Assessments for the pertinent fiscal year immediately due and payable for that Lot.

Section 7.9 No Waiver of Liability for Common Expenses. No Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements, by abandonment of the Lot against which the Common Expense Assessments are made, or because of dissatisfaction with the Association's performance. No offset is permitted for any reason.

Section 7.10 Personal Liability of Owners. Each Owner, by acceptance of a deed for a Lot, whether or not it shall be so expressed in such deed, is personally liable for Common Expense Assessments made against such Owner's Lot during the period of ownership of such Lot, at the time a Common Expense Assessment or portion of the assessment is due and payable. Personal liability for the Common Expense Assessment shall not pass to a successor in title to the Lot unless the successor agrees to assume the obligation. All Owners of each Lot shall be jointly and severally liable to the Association for the payment of all Common Expense Assessments. The obligation for such payments by each Owner to the Association is an independent covenant with all amounts due, from time to time, payable in full when due without notice or demand (except as otherwise expressly provided in this Declaration), and without setoff or deduction.

Section 7.11 Surplus Funds. Any surplus funds of the Association remaining after

payment of or provision for Common Expenses and any prepayment of or provision for reserves shall be retained by the Association as unallocated reserves and need not be paid to the Owners in proportion to their Common Expense liability or credited to them to reduce their future Common Expense Assessments.

ARTICLE VIII ARCHITECTURAL CONTROL

Section 8.1 Written Approval of Plans Required.

- A. No Improvements shall be constructed, erected, placed, planted, applied or installed upon any Lot unless plans and specifications therefor shall have been first submitted to and approved in writing by the Board of Directors. Said plans and specifications shall show exterior design, height, materials, color, and location and type of the Improvements, as well as such other materials and information that may be required by the Board of Directors. The Board of Directors shall exercise its reasonable judgment to the end that all Improvements conform to and harmonize with the existing surroundings, residences, landscaping and structures and maintain or improve the value of the Lots.
- B. In addition to the required approvals of the Board of Directors as provided in this Article, the construction, erection, addition, deletion, change or installation of any Improvements shall also require the applicant to obtain the approval of all governmental entities with jurisdiction over such Improvements, and issuance of all required permits, licenses and approvals by such entities.

Section 8.2 Guidelines, Standards, Rules, Regulations and Procedures. The Board of Directors may, from time to time, adopt, promulgate, amend or otherwise revise guidelines, standards, rules and regulations and procedures governing architectural control for the purposes of further enhancing, defining, or interpreting what items or improvements are covered by this Article VIII, and providing for changes in technology, industry standards, style, materials, safety issues, consistency with updated building codes or other laws or ordinances, or for any other reason that the Board of Directors deems to be proper, necessary or in the best interests of the Community. In determining what is in the best interests of the Community, the Board of Directors may, but shall not be required to, solicit input from: (1) Owners whose Lots are near a proposed improvement or item to be placed on a Lot; or (2) from the entire Community. The Board of Directors shall not be bound by said input but shall use its best judgment in approving or disapproving the proposed improvement or item. Any guidelines, standards, rules and regulations, procedure or amendment thereto, shall apply to construction, additions, modifications, installations or items placed on a Lot occurring after the date such guidelines, standards, rules and regulations, procedures or amendments are published or otherwise made available to all Owners.

Section 8.3 Procedures. The Board of Directors, shall approve or disapprove all requests for approval within forty-five (45) days after the complete submission of the plans, specifications and other materials and information which the Committee may require in

conjunction therewith. If the Board of Directors fails to approve or disapprove any request within forty-five (45) days after the complete submission of the plans, specifications, materials and other information with respect thereto, the request shall be deemed to have been approved by the Board of Directors. However, the applicant may resubmit the application, except that plans and specifications may not be newly submitted or resubmitted for at least nine (9) months from the latest previous rejection of such plans and specifications, unless such plans and specifications are substantially different from those that have been previously submitted.

Section 8.4 Vote. A majority vote of the Board of Directors, is required to approve a request for approval pursuant to this Article. The decision of the Board of Directors shall be final.

Section 8.5 Records. The Board of Directors shall maintain written records of all applications submitted to it and all actions taken by it, and such records shall be available to Members for inspection at reasonable hours.

Section 8.6 Liability. The Board of Directors and the members thereof, as well as the Association, the Board of Directors, or any representative of the Board of Directors appointed to act on its behalf, shall not be liable for any loss, damage or injury arising out of or in any way connected with the performance of the Board of Directors for any action, failure to act, approval, disapproval, or failure to approve or disapprove in regard to any matter within its authority hereunder, if such action was in good faith or without malice. In reviewing any matter, the Board of Directors shall not be responsible for passing on safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations, nor shall its approval of an Improvement be deemed approval of such matters.

Section 8.7 Variance. The Board of Directors may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Article, in order to overcome practical difficulties or prevent unnecessary hardships arising by reason of the application of any such conditions and restrictions. Such variances or adjustments shall be granted only if the granting is not materially detrimental or injurious to the other property or improvements in the neighborhood, shall not militate against the general intent and purpose hereof, and shall not set a precedent for any other applicant.

Section 8.8 Waivers. The approval or consent of the Board of Directors, any representative thereof, or the Board of Directors, to any application for design approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by the Board of Directors, any representative thereof, or the Board of Directors, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required, and shall not set a precedent for any other applicant.

ARTICLE IX RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 9.1 Restrictions Imposed. All of the Lots shall be held, conveyed, used,

improved, occupied, owned, resided upon and secured, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Declaration. These restrictions are general in nature and the Board shall have the power and duty to adopt, amend, repeal and enforce more specific and restrictive guidelines, rules and regulations as the Board deems to be reasonable and necessary to carry out the intent of this Declaration.

Section 9.2 Occupancy and Use Restrictions. The following occupancy restrictions apply to all Lots and to the Common Elements.

- A. Residential Use. All Lots shall be used exclusively for single family residential purposes.
- B. No Commercial Use. No commercial or business enterprise of any nature shall be allowed or permitted on any Lot; provided, however, that home operated businesses are permitted, so long as such business (i) is allowed by zoning resolutions; (ii) is not apparent or detectable by sight, sound, smell or vibration from the exterior of the Townhouse, (iii) does not increase traffic or parking demands within the Property; and (iv) does not increase the insurance obligations or premiums of the Association. Uses described as “day care” or “child care” facilities (whether licensed or unlicensed) are expressly prohibited in the Townhouses unless otherwise expressly permitted by applicable law. No yard sale, garage sale, estate sale, moving sale, or similar event may be conducted on any Lot, or anywhere else on the Property.
- C. Antennae. Except as otherwise provided for by the Board of Directors, any exterior radio antenna, television antenna, or other antenna, or any satellite dish, but not to exceed one meter or less in diameter, may be placed, erected or maintained on any Lot in such manner as will allow for reception of an acceptable quality signal without unreasonable cost or delay to the Lot Owner, and shall to the extent feasible be placed so as to be screened from view of adjoining Lots and from the street.
- D. Woodburning Devices. All solid fuel or woodburning stoves and devices, including fireplaces, shall comply with any rules and regulations implemented and in effect by any federal, state or local governmental entity.
- E. Fences. All fences enclosing the areas assigned as a Limited Common Element to a Townhouse shall comply with design regulations to be adopted from time to time by the Board of Directors.
- F. Signs. Except for political signs permitted in the Act, no advertising or signs of any character shall be erected, placed, maintained or permitted on any part of a Lot, other than a name plate of the occupant and an address or street number, and except a “For Sale,” “Open House,” “For Rent” or security signs of not more than five (5) square feet; and other such signs, for such lengths of time as have been approved in advance by the Board of Directors. The Association may issue,

and amend from time to time, Rules or architectural guidelines that modify, relax or further restrict the provisions of this subsection.

- G. Drainage. No Townhouse Owner shall do or permit any work, construction of improvements or do any landscaping that may alter or interfere with the natural drainage for the property, except to the extent the same is approved by the Board of Directors.
- H. Structures Prohibited. No occupied temporary structure, modular home, mobile home, trailer house, travel trailer or RV vehicle shall be permitted on any Lot or upon the Property. No sheds or outbuildings of any type shall be permitted on any Lot.
- I. Trash. No trash, ashes, garbage or other refuse shall be allowed to accumulate or be placed upon any Townhouse or area within the Property. There shall be no burning or other disposal of refuse outdoors. Each Owner shall provide suitable wildlife resistant receptacles for the temporary storage and collection of such refuse and all such receptacles shall be screened from the public view and from wind and protected from animal and other disturbances.
- J. Completion of Construction. All construction, reconstruction, alterations or improvements, approved by the Board of Directors, shall be prosecuted diligently through completion and shall be completed within six months of the commencement thereof.
- K. Parking and Vehicles. No junk car, inoperative car, car under repair, unregistered vehicle, or oversized vehicle is permitted to be parked in the Property. This restriction shall not apply to commercial or other vehicles making business or service calls or deliveries to the residents or owners of the Lots, to the Association or contractors within the Community. The Board may adopt Rules that further specify permissible and impermissible vehicles and general parking regulation. When adopting such Rules, the Board shall consider parking realities in light of the location and size of the Community and the actual use of parking by residents and others.

Common Element parking areas are not to be used for long term storage of vehicles or other items. However, there will be special circumstances where temporary parking may be required, such as illness or temporary houseguests, and the Board of Directors is authorized to make exceptions in its discretion. The resident requesting the exception should address the Board, in writing, explaining the situation, and offering an idea of the time period of the exception required. If approved, should the exception extend beyond the original time period, the resident should again petition the Board for approval.

- L. Noise. No exterior horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the improvements on any

Townhouse, shall be placed or used on any Townhouse.

- M. Nuisance. No obnoxious or offensive activity shall be carried on within the property, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate upon the property so as to be offensive or detrimental to any other part of the property or its Owners or occupants.
- N. Hazardous Activities. No activities shall be allowed or conducted on the property which are or might be unsafe-or-hazardous to any person or property. Such hazardous activities include, but are not limited to butane or explosive extractions of marijuana concentrates, fireworks, firearms, bows and arrows, explosives, air or pellet guns or any similar type devices.
- O. Animals Other Than Service or Support Animals. No livestock, poultry, or exotic animals of any kind may be kept on the Property. A maximum of two household pets per Townhouse are allowed. No animals shall be allowed to run free, or to otherwise constitute a nuisance to any other Townhouse Owners. The owner of any animal shall at all times be personally liable and responsible for all actions of such animals, including the immediate removal of any pet waste from the Common Elements, and any damage caused by such animal. If an animal becomes obnoxious or a nuisance to other Owners, the Owner or persons having control of the animal shall be given written notice to correct the problem, and, if not corrected, the Owner, upon written notice, will be required to remove the animal permanently from the Property. Any leasing Owner can determine whether a Permitted User is permitted to maintain an animal in a Townhouse in accordance with this section, and shall be obligated to ensure that the animal complies with the provisions of this section.
- P. Mold. Each Owner shall be required to take necessary measures to retard and prevent mold from accumulating in the Townhouse and the Limited and Common Elements, including, but not limited to, appropriate climate control, removal of visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces. Owners shall immediately notify the Board in writing of the following: (a) any evidence of water leaks, water infiltration or excessive moisture in a Townhouse; (b) any evidence of mold that cannot be removed by the Owner with a common household cleaner; (c) any failure or malfunction in heating, ventilation or air conditioning; (d) any inoperable doors, windows, heating, ventilation or air conditioning ducts. The receipt of notice by the Association shall not create any additional Association maintenance responsibility other than those set forth in this Declaration. Owners shall be responsible for any damage to his or her Townhouse and personal property, to any other Townhouse or the Common Elements, as well as any injury to the Owner or occupants resulting from the Owner's failure to comply with this section. Owners shall be responsible for all costs and expenses incurred by the Board to remove mold and/or damage within his or her Townhouse, to any other Townhouse, or to the

Limited or Common Elements if the Owners fails to meet the requirements of this section.

- Q. Prohibition Against Distribution. No Owner or Permitted User of a Townhouse utilize such Townhouse for the purpose of manufacturing, synthesizing, producing or distributing any illicit or controlled substances as such substances are defined either by applicable state and/or federal laws regulating same.
- R. Neighbor-to-Neighbor Disputes. The Association shall not be obligated to take enforcement action when a dispute under the Declaration or Rules is solely a dispute between neighbors involving an alleged nuisance or offensive behavior, not involving the Common Elements and not involving a violation of the Association's architectural or maintenance standards. In any dispute between neighbors, residents must first work in good faith with each other to resolve their differences before the complaining Owner reports an alleged violation of the governing documents to the Association. An Owner's complaint to the Association about a neighbor must: (a) be in writing; (b) give as much detail as possible concerning the dispute; (c) provide specific information about what informal efforts to resolve the matter were undertaken by the complaining resident; and (d) provide the name, address, phone number(s) and email address of the complaining resident.
- S. Minimum Utility Requirements for Townhouses. For the protection of the Townhouses, Common Elements and Limited Common Elements, each Owner must continuously maintain both heat and power in his or her Townhouse, whether it is vacant or occupied. All Townhouses, whether vacant or occupied, must be maintained at a minimum temperature of 55 degrees Fahrenheit at all times. Owners of Townhouses which will be or have been vacant for more than thirty (30) days must notify the Board of such vacancy and turn off the water supply to the Townhouse at the main valve, except for those Townhouses containing boilers, where the water supply must be kept on for proper operation and heat supply.

Section 9.3 Leasing. Any Owner shall have the right to lease or allow occupancy of a Lot upon such terms and conditions as the Lot Owner may deem advisable, subject to restrictions of this Declaration, subject to restrictions of record and subject to the following:

- A. Leasing and Lease Terms, Generally. An Owner may lease his or her Townhouse in its entirety upon such terms and conditions as the Owner may deem advisable; provided, however that (i) unless an Owner has submitted his or her Townhouse to the "Short Term Leasing" list, no initial lease term shall be made for less than six (6) months; (ii) no lease shall be for less than the entire Lot; (iii) all leases shall be in writing and shall provide that the lease is subject to the terms of the Association's governing documents; (iv) no Lot may be sublet; (v) a Lot may be leased only for the uses provided herein; and (vi) any failure of a lessee to comply with the terms of this Declaration or any other Association governing documents

shall be a default under the lease enforceable by the Association as a third party beneficiary, whether or not the lease contains such a provision. As used herein, the term “lease” shall mean any agreement or arrangement for occupancy of the Townhouse by persons other than the Owner, but shall not include occupancy by a roommate of the Owner so long as the Owner also occupies the Townhouse, or occupancy by a family member whether or not the Owner also occupies the Townhouse. A copy of the lease or rental agreement shall be provided to the Association, in care of its manager or an officer, upon request.

- B. Short Term Leasing, Specifically. An Owner may lease his or her Townhouse in its entirety upon such terms and conditions as the Owner deems advisable. If the Owner desires to lease the Townhouse for periods of less than six (6) months, the Owner shall submit written notification of this intent to the Association and be placed on the Short Term Leasing list. This list shall include the names and contact information for all Owners who lease their Townhouses on short term bases, and shall include contact information for a local individual who is able to address emergencies associated with the Townhouse. The Association is entitled to impose a fee for individuals on the Short Term Leasing list in an amount reasonably calculated to offset any additional expenses incurred due to Short Term Leasing (by way of example and not limitation, additional trash or utility expenses, or fees charged by the Association’s management company due to short term leases). The Association does not administer or manage a leasing program for the community.

ARTICLE X INSURANCE

Section 10.1 Coverage. To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, or if any policy is cancelled, or not renewed, without a replacement policy having been obtained, the Association shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners at their respective last known addresses.

Section 10.2 Duty to Maintain Casualty Insurance.

- A. Common Elements. The Association shall obtain property insurance on the Common Elements for broad form covered causes of loss, including building ordinance and inflation guard endorsements, and on all personal property owned by the Association. The property insurance will be for an amount (after application of any deductions for depreciation) equal to one hundred percent (100%) of the full insurable replacement cost of the insured property less applicable deductibles, exclusive of land, foundations, excavations and other items normally excluded from property policies. The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the property, and the cost of such appraisals shall be a Common Expense.

- B. Townhouses. The Association shall obtain and keep in full force and effect, to the extent that such insurance is reasonably available, property insurance with respect to each Townhouse on each Lot within the Community which shall be limited to coverage only for the exterior surfaces of the Townhouses and those components which provide structural support for the Townhouses. For purposes of determining the extent of the property insurance coverage the Association is required to carry on the Townhouses, the exterior surfaces of the Townhouses shall include only the following: party walls; the roofs; exterior brick, mortar, siding and stucco; exterior perimeter cinderblock walls, concrete slab floors and the windows and exterior doors of each Townhouse, but not including any portions which are glass, any screens on windows and doors, skylights or any attic or interior insulation, which will be the Owners' responsibility to insure. The property insurance will be for the full insurable replacement cost of the insured property less applicable deductibles, not including coverage for land, foundation, excavation and other items normally excluded from coverage, and excluding all fixtures, furnishings, personal property, improvements and betterments within the Townhouse, and any upgrades, including any additions or modifications installed by Owners, which are the Owner's responsibility to insure, maintain, repair and replace. In the event such insurance is not reasonably available, the Association shall notify Owners of this fact as quickly as practical and at least 45 days before the expiration of any policy then-in-place, by written notice delivered personally, by United States Mail, and/or by electronic mail, where available.

Section 10.3 Liability Insurance. Commercial General Liability insurance, as set forth in Section 38-33.3-313(b) of the Act, will be maintained in an amount determined by the Board of Directors, but in no event shall it be less than one million dollars (\$1,000,000). The Association may also obtain reasonable amounts of umbrella liability insurance in excess of the primary limits. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and the activities of the Association.

Section 10.4 Mandatory Provisions. The insurance policies carried pursuant to Sections 10.2 and 10.3 shall provide that:

- A. Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;
- B. The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner;
- C. No act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

- 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 policy of the Association provides primary insurance; and
- E. The insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Security Interest Holder. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each Security Interest Holder to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 10.5 Fidelity Bonds. The Association shall obtain and maintain, to the extent reasonably available, fidelity bond insurance coverage for any Owner or Association employee who either handles or is responsible for funds held or administered by the Association. The bond or insurance shall name the Association as obligee, and shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of “employee” or similar expression. If reasonably available, the bond or coverage shall be the sum of two (2) months of Common Expense Assessments for all Lots plus up to one hundred percent (100%) of the reserve funds as calculated from the current budget of the Association. The bond or coverage shall include a provision that calls for ten (10) days written notice to the Association, before the bond can be cancelled or substantially modified for any reason. The Association shall also require any independent contractor who manages the Association to obtain and maintain fidelity bond insurance coverage in the amount required by law or to the extent that it is reasonably available, unless they are covered under the Association’s fidelity bond insurance coverage.

Section 10.6 Owner Policies. Each Townhouse Owner is responsible to obtain and maintain property insurance covering all portions of the Townhouse not insured by the Association pursuant to Section 10.2(B) above. Such property insurance shall include, but not be limited to, everything on the interior of the Townhouse, including fixtures and improvements, interior and perimeter walls and floors, partitions, decorated and finished surfaces of interior and perimeter walls, floors, and ceilings, appliances, and other elements or materials comprising a part of the Townhouse and any fixtures, equipment or other property within the Townhouse, and any additions, alterations or improvements to the Townhouse which increase the replacement value of his Townhouse, and also including skylights and attic and any interior insulation. Such property insurance for the Townhouses must be for the full insurable replacement cost of the property required to be insured by the Owner, including inflation guard protection and all improvements made since original construction and public liability insurance coverage for each Townhouse owned by such Owner and the Limited Common Elements associated therewith and workman’s compensation insurance covering work within each Townhouse or on the Limited Common Elements associated therewith. In the event an Owner fails to obtain and maintain such insurance, and an uninsured loss occurs which would have otherwise been covered under the insurance required by this paragraph, such Owner shall be liable to the Association for the loss suffered, and for any deficiency in any resulting insurance loss recovery. In this situation, the Association shall not be obligated to apply any insurance proceeds to restore the affected Townhouse and the Association shall be entitled to recover such amounts from the Owner in the

same manner as any other debts owed to the Association. Owners are also responsible for insurance coverage on their own personal property.

Section 10.7 Workers Compensation Insurance. The Board of Directors shall obtain and maintain Workers Compensation Insurance if required to meet the requirements of the laws of the State of Colorado.

Section 10.8 Directors' and Officers' Liability Insurance. The Board of Directors shall obtain and maintain directors' and officers' liability insurance, if reasonably available, covering all of the directors and officers of the Association. This insurance will have limits determined by the Board of Directors.

Section 10.9 Other Insurance. The Association may carry other insurance that the Board of Directors considers appropriate to protect the Association. If any parcel of real property that the Association has an obligation to repair or reconstruct is located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on such parcels is available under the National Flood Insurance Program, then the Board may obtain a policy of flood insurance on such parcels in an amount at least equal to the lesser of:

- A. The maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or
- B. One hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

Section 10.10 Premiums. Insurance premiums for insurance carried by the Association shall be a Common Expense, except to the extent additional premiums are attributable to fewer than all the Lot(s), in which case the Owner(s) may be assessed the additional premium(s).

Section 10.11 Deductibles. Whenever a deductible is payable by the Association for a loss affecting a Townhouse or Townhouses, the Board shall assess the full amount of that deductible to the Townhouse or Townhouses that have suffered the loss. This assessment shall be specifically included in the definition of Section 1.5, above. Any Townhouse Owner(s) so assessed are fully responsible for paying 100% of the deductible attributable to the loss occurring in their Townhouse, or a prorated portion of the deductible if more than one Townhouse is damaged. No portion of this obligation to pay the deductible amount for a loss affecting a Townhouse or Townhouses shall become a Common Expense.

Section 10.12 Insurance Proceeds. Any loss covered by the property insurance policy described in Sections 10.1 and 10.2 above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association, and not to any Security Interest Holder. The Association shall hold any insurance proceeds in trust for the Association, Owners and lienholders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged property, and the Owners, Association and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored. If hazard insurance proceeds are distributed to

the Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record, and pursuant to the Act. The Association may designate a Trustee for the receipt, administration and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses and other sources. If the insurance proceeds are not sufficient to cover the costs of those items the Association is required to insure as the result of a loss, the Association may assess any shortfall as a Common Expense.

ARTICLE XI DAMAGE OR DESTRUCTION

Section 11.1 Lots. Any damage to or destruction of any structure located on a Lot shall be promptly repaired and reconstructed by the Owner(s) thereof. “Repaired and reconstructed” as used in this Section, shall mean restoring the structure to substantially the same condition in which it existed immediately prior to such damage or destruction, including having the same boundaries as before. If the Owner of a Lot does not commence repair or reconstruction activities within a reasonable time and diligently pursue the same in conformance with the plans approved by the Board of Directors, then the Association may, in its reasonable discretion, after providing the notice to the affected Owner, enter upon the Lot and complete such repair or reconstruction. If the Members vote not to rebuild any structures on a Lot, that Lot’s Allocated Interests are automatically reallocated upon such approval as if the Lot had been condemned as provided in Article XVIII of this Declaration, and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting such reallocations.

ARTICLE XII EASEMENTS AND LICENSES

Section 12.1 Easements and Licenses. Easements or licenses to which the Lots and the Community are presently subject are noted on the Plat Map and as may be of record.

Section 12.2 Easements for the Board of Directors. Each Lot is subject to an easement in favor of the Board of Directors, and its agents, employees and contractors, to perform its obligations pursuant to this Declaration, including, without limitation, the right to enter upon any Lot in any reasonable manner as necessary to carry out the Association’s maintenance, repair and replacement responsibilities. For routine maintenance and non-emergency repairs, entry shall be made only after written notice is given to the Owner. In case of emergency, entry may be made at any time provided that a reasonable effort according to the circumstances is made to give notice of entry.

Section 12.3 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance, and other similar emergency agencies or persons, now or hereafter servicing the Property, to enter upon any part of the Community in the performance of their duties.

Section 12.4 Easements Over Adjoining Lots for Maintenance of Party Walls. In each case where Townhouses share a Party Wall, non-exclusive easements over the Lots of such Townhouses for maintenance, repair and replacement of the Party Wall, foundations and other

common structural elements by such Owner and the Permitted Users of such Owner, and for access, ingress and egress necessary for such maintenance, repair and replacement.

Section 12.5 Easement for Encroachments. If any Lot or Common Element encroaches on any other Lot or Common Element, a valid easement for the encroachment exists. The easement does not relieve an Owner of liability in case of willful misconduct nor relieve a Declarant or any other Person of liability for failure to adhere to the plans and Plat. If any portion of any Townhouse on a Lot encroaches upon an adjoining Lot, or adjoining Common Elements, whether as a result of original construction of any Improvements (including, without limitation, as a result of architectural design or errors in construction), or reconstruction, repair, shifting, settlement, or movement of such Improvements, a valid non-exclusive easement for the encroachment and for the maintenance of the same (each an “Encroachment Easement”) shall exist for so long as such Townhouse exists. Without limiting the generality of the foregoing, if any vertical Party Wall, whether as initially constructed or as reconstructed, which separates the Townhouses on two adjacent Lots and which is located generally along the common boundary line between such Lots, is not located precisely on such common boundary line so that a portion of one of such Townhouses encroaches onto the Lot on which the other Townhouse is located, a valid Encroachment Easement for such encroachment shall exist so long as the encroaching Townhouse exists. Patios and decks that serve individual Townhouses may encroach on Common Elements or other Lots; to the extent such encroachment exists, it is permissive and not adverse.

Section 12.6 Easements for Drainage and Utilities. Easements for the installation and maintenance of utilities, drainage facilities, public or private improvements and access thereto are reserved as shown on the recorded plats and other documents affecting the Lots and any amendments to such plats and documents or as established by any other instrument of record. No Improvements other than approved landscaping shall be placed or permitted to remain on any Lot nor shall any change in grading be permitted to exist that may change the direction of flow or obstruct or retard the flow of water through channels or swales within front, rear and side yard drainage easements.

Section 12.7 Easements Deemed Created. All conveyances of any Lot hereafter made, shall be construed to grant and reserve the easements contained in this Article even though no specific reference to such easements or to this Article appears in the instrument of such conveyance.

ARTICLE XIII ASSOCIATION AS ATTORNEY-IN-FACT

Each Owner irrevocably appoints the Association as the Owner’s true and lawful attorney-in-fact for the purposes of (a) granting easements pursuant to Article XII, (b) purchasing and maintaining insurance pursuant to Article X, including the collection and appropriate disposition of any proceeds, the negotiation and settlement of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to purchase and maintain insurance as well as dealing with any improvements covered by insurance written in the name of the Association pursuant to Article X upon their damage or destruction as

provided in Article X, (c) negotiating and dealing with any authority having the power of condemnation or eminent domain relating to a complete or partial taking as provided in Article XVIII, or (d) acting in another capacity on behalf of the Owners when approval by the Owners is required and has been obtained. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact for the purposes stated herein, and the Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XIV PARTY WALLS

Section 14.1 Common Law Rules Apply to Party Walls. Except as otherwise specifically provided herein, the general rules of law applicable to Party Walls and of liability for property damage arising from negligence or willful acts or omissions shall apply with respect to any Party Wall. Without limiting the generality of the foregoing, each Owner has the right to use a Party Wall that is a part of the Owner's Townhouse provided that such use does not interfere with the use and enjoyment thereof by the other Owner who shares the Party Wall. Additionally, nothing shall be done, without the written consent of the Association, in, on or to any Townhouse or any Party Wall which is a part thereof, which would impair the structural integrity of such Party Wall or any other Townhouse.

Section 14.2 Sharing Party Wall Repair, Maintenance and Restoration Costs. The costs and expenses of necessary and reasonable repair, maintenance or restoration of any portion of a Party Wall, including restoration in the event of damage or destruction due to fire or other casualty (subject, however, to the provisions of Sections 10.2B and 11.1), shall be shared equally by the Owner of each Townhouse sharing the Party Wall, without prejudice however, to the right of any such Owner to recover from the other such Owner under any rule of law with respect to liability for negligent or willful acts or omissions; provided, however, nothing contained herein shall require such Owners to share the costs and expenses of normal repair and maintenance, such as painting and replastering, of the surfaces of the Party Walls that are interior to the Townhouse of the other Owner. If any monolith slab requires repair, the entire monolithic foundation shall be included in the repair process. The Owners and occupants of each of the two Lots on which such monolithic foundation is located shall cooperate regarding repairs to such foundation.

Section 14.3 Lien for Party Wall Repair, Maintenance and Restoration Costs. If an Owner fails, after a written demand, to pay any costs and expenses with respect to a Party Wall that are to be borne by the Owner, then the Owner of the adjoining Townhouse sharing such Party Wall shall have a lien, from and after the time a notice of lien is recorded in the office of the Clerk and Recorder of Summit County, Colorado, against the Lot of the Owner who has failed to pay any such costs and expenses, for the full amount due and not paid, plus interest from the date of demand for payment at the rate of 12% per annum, or at such other rate as may be established from time to time by the Board of Directors of the Association, whichever rate is

greater, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees. The lien may be foreclosed in the manner of foreclosure of mortgages in the State of Colorado.

Section 14.4 Rights of Owners. The Owners of each Lot with a Party Wall shall have the following rights:

- A. A perpetual and reciprocal easement in and to that part of the adjacent Lot on which such Party Wall is located, for Party Wall purposes only, including mutual support, maintenance, repair and inspection. For the purposes of repairing or maintaining a Party Wall, the Owners of each Lot with a Party Wall are granted the right to enter onto the adjacent Lot which shares the same Party Wall and to enter into any residence or other Improvements thereon to perform work necessary in the exercise of rights provided herein at all reasonable times after reasonable notice to the occupants of such adjacent Lot, or immediately in the event of an emergency.
- B. After reasonable notice to the occupants of the adjacent Lot on which a Party Wall is located, the Owner of a Lot on which such Party Wall is located shall have the right to break through an appurtenant Party Wall for the purposes of repairing or restoring sewer, water, or other utilities located within such Party Wall, subject to the obligation to restore such Party Wall to its previous structural condition at the sole cost and expense of the Owner who effectuates such breakage.

ARTICLE XV DURATION AND AMENDMENTS

Section 15.1 Duration. This Declaration shall run with and bind the land perpetually, unless terminated as set forth in Article XVI below.

Section 15.2 Amendment. Owners may amend the covenants and restrictions of this Declaration at any time, as follows:

- A. By written approval of Owners to whom at least sixty-seven percent (67%) of the votes in the Association are allocated; provided that any amendment falling under the purview of C.R.S. § 38-33.3-217(4) shall require the written approval of Owners to whom at least seventy-five percent (75%) of the votes in the Association are allocated.
- B. Any amendment shall be effective upon being properly recorded in the records of the Clerk and Recorder of Summit County.
- C. Upon instruction from the Board of Directors, the President and Secretary of the Association may certify to their receipt and review of the necessary number of written approvals and that the appropriate number of Owners approved the amendment, in lieu of recording individual signatures.

- D. Where a Lot is owned by more than one person, the approval of any amendment or revocation shall be valid if approved by any one Owner. Where a Lot is owned by an entity, the entity may approve the amendment through action of a duly authorized representative. Signatures need not be notarized. The signature need not be identical to the name of the recorded Owner, but shall be sufficiently close as to be identified as a proper signature of such person. The records verifying approval by the Owners, including originals of all signatures, shall be retained for a period of three years after the date of recording the amendment.
- E. No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Association's Declaration, Articles of Incorporation or Bylaws unless it is commenced within one year after the effective date of the amendment.

Section 15.3 Recording of Amendments. Each amendment to the Declaration must be recorded in accordance with Section 38-33.3-217(3) of the Act.

Section 15.4 Expenses. All expenses associated with preparing and recording an amendment shall be allocated in accordance with Section 38-33.3-217(6) of the Act.

ARTICLE XVI TERMINATION

Termination of the Community may be accomplished only in accordance with Section 38-33.3-218 of the Act, upon agreement of Owners to whom at least sixty-seven percent (67%) of the votes in the Association are allocated.

ARTICLE XVII SECURITY INTEREST PROTECTION

The following provisions are for the benefit of Security Interest Holders. To the extent permitted under Colorado law and as applicable, necessary or proper, the provisions of this Article apply to this Declaration and also to the Articles, Bylaws and Rules and Regulations of the Association.

Section 17.1 Title Taken by Security Interest Holders. Any Security Interest Holder who obtains title to the Townhouse pursuant to remedies exercised in enforcing the Security Interest, including foreclosure of the Security Interest or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable as of the date title to the Townhouse (1) is acquired or (2) could have been acquired under the statutes of Colorado governing foreclosure, whichever is earlier. Except as provided in the Act, such holder of a Security Interest will not be liable for any unpaid Common Expense Assessments, dues, and charges attributable to the Townhouse which occurred prior to the date such title vests in the holder of the Security Interest.

Section 17.2 Distribution of Insurance or Condemnation Proceeds. In the event of a

distribution of insurance proceeds or condemnation awards allocable among the Townhouses for losses to, or taking of, all or part of the Common Elements, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any holder of a first Security Interest against the Townhouse.

Section 17.3 Right to Pay Taxes and Charges. The holder of a first Security Interest may, jointly or singly, pay taxes or other charges that are in default and that may or have become a charge against any Common Elements, and may pay overdue premiums on insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and the holder of a first Security Interest making such payments shall be owed immediate reimbursement therefor from the Association.

Section 17.4 Audited Financial Statement. Upon written request from any Agency or holder of a first Security Interest with an interest or prospective interest in any Townhouse or the Property, the Association shall prepare and furnish within ninety days an audited financial statement of the Association for the immediately preceding fiscal year at the expense of such Agency or holder, which cost shall be paid in advance.

Section 17.5 Notice of Action. Any Agency that holds, insures or guarantees a first Security Interest against any Townhouse, upon written request to the Association (which shall include the Agency's name and address and Townhouse number), will be entitled to timely written notice of:

- A. Any proposed amendment of the Association Documents effecting a change in (a) the boundaries of any Townhouse or the exclusive easement rights appertaining thereto, (b) the interest in the Common Elements appurtenant to the Townhouse or the liability of Assessments relating thereto, (c) the number of votes in the Association relating to any Townhouse, or (d) the purposes to which any Townhouse or the Common Elements are restricted as set forth in Article X;
- B. Any proposed termination of the common interest community;
- C. Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Townhouse on which there is a first Security Interest held, insured or guaranteed by such Agency;
- D. Any delinquency in the payment of Assessments owed by a Townhouse Owner subject to the Mortgage when such delinquency has continued for a period of sixty (60) days;
- E. Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Article X.

ARTICLE XVIII CONDEMNATION

If part or all of the Community is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with Section 38-33.3-107 of the Act.

ARTICLE XIX MISCELLANEOUS

Section 19.1 Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents or the intent of any provision thereof.

Section 19.2 Gender. The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so requires.

Section 19.3 Waiver. No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 19.4 Invalidity. The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of the Documents shall continue in full force and effect.

Section 19.5 Conflict. The Documents are intended to comply with the requirements of the Act and the Colorado Revised Nonprofit Corporation Act. If there is any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

Section 19.6 Registration of Mailing Address. Each Owner shall register their mailing address with the Association, and except for assessment statements and other routing notices, all other notices or demands intended to be served upon an Owner shall be either delivered to them or sent by first class mail, postage prepaid, addressed in the name of such person or entity at such registered mailing address. However, if any Owner fails to notify the Association of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Lot. All notices, demands, or other notices intended to be served upon the Board or the Association shall be sent by registered or certified mail, postage prepaid, to the Association's Manager or Registered Agent.

Section 19.7 Indemnification. The Association shall indemnify every present and former Director, officer, committee member, agent or employee against loss, costs, and expense, including attorneys' fees reasonably incurred in connection with any action, suit, or proceeding in which such person may be made a party by reason of being, or having been such Director, officer, committee member, agent or employee of the Association, except for wanton or willful acts or omissions or if such person shall be finally adjudged to be liable for: any breach of the

Director's duty of loyalty to the Association or its members; acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; acts specified in C.R.S. 7-129-102, as now in effect or hereafter amended; or any transaction from which the Director derived an improper personal benefit. Any such indemnification may be limited to and paid out of the insurance proceeds provided by an insurer furnishing officers and directors errors and omissions insurance coverage or similar protection and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage. In the event of an insurance settlement, the settlement shall be approved by the Board of Directors and paid for by the insurance carrier out of the insurance proceeds.

Section 19.8 No Representations, Guaranties or Warranties. No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by the Association, the Board, the Board of Directors, or by any of their officers, directors, committee members, members, partners, agents or employees, in connection with any portion of the Community, or any Improvement, its or their physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless and except as shall be specifically set forth in writing.

Section 19.9 Disclaimer Regarding Safety. THE ASSOCIATION, THE BOARD AND, AND THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SAFETY, SECURITY OR PROTECTION OF ANY PERSONS OR PROPERTY WITHIN THE COMMUNITY. BY ACCEPTING A DEED TO PROPERTY WITHIN THE COMMUNITY, EACH OWNER ACKNOWLEDGES THAT THE ASSOCIATION, THE BOARD AND THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES ARE ONLY OBLIGATED TO DO THOSE ACTS SPECIFICALLY SET FORTH IN THE DOCUMENTS, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY, SECURITY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE COMMUNITY.

Section 19.10 Controlling Declaration. This Declaration supersedes and replaces in its entirety the Original Declaration in the public records of Summit County, Colorado, but does not eliminate or vacate any easements created by the Original Declaration or the Lakeside II Declaration.

The Association has caused this Declaration to be executed this 29 day of September, 2020. The undersigned certifies that this Declaration has been approved by the written votes of Owners of at least 67% of the Lots, or in the alternative, in accordance with C.R.S. § 38-33.3-217(7).

Association:

Lakeside Townhouse Association

By: Linsey Hempel / Linsey Hempel
President
Title

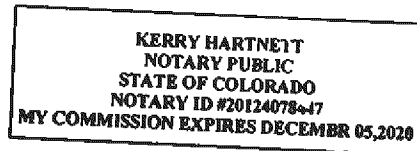
STATE OF COLORADO)
) ss.
COUNTY OF Summit)

The foregoing instrument was acknowledged before me this 29th day of Sept 2020, by
Linsey Hempel as President of Lakeside Townhomes

Witness my hand and official seal.

My commission expires: December 05, 2020

[SEAL]



Kerry Hartnett
Notary Public

EXHIBIT A
COMMON EXPENSE ALLOCATION
PAGE 1 of 2

TOWNHOUSE LOT	SQUARE FOOTAGE	ALLOCATION BY SQUARE FOOTAGE
Lot 1, Block 8	763	0.018
Lot 2, Block 8	708	0.017
Lot 3, Block 8	1260	0.030
Lot 4, Block 8	1260	0.030
Lot 5, Block 8	1020	0.025
Lot 6, Block 8	1020	0.025
Lot 7, Block 8	708	0.017
Lot 8, Block 8	708	0.017
Lot 1, Block 9	708	0.017
Lot 2, Block 9	1020	0.025
Lot 3, Block 9	1020	0.025
Lot 4, Block 9	1020	0.025
Lot 5, Block 9	1020	0.025
Lot 6, Block 9	1260	0.030
Lot 7, Block 9	1260	0.030
Lot 8, Block 9	1465	0.035
Lot 9, Block 9	1020	0.025
Lot 10, Block 9	1020	0.025
Lot 11, Block 9	483	0.012
Lot 12, Block 9	483	0.012
Lot 13, Block 9	708	0.017
Lot 1, Block 10	483	0.012
Lot 2, Block 10	1020	0.025
Lot 3, Block 10	1020	0.025
Lot 4, Block 10	1020	0.025
Lot 5, Block 10	1020	0.025
Lot 6, Block 10	708	0.017
Lot 7, Block 10	708	0.017
Lot 8, Block 10	483	0.012
Lot 1, Block 11	708	0.017
Lot 2, Block 11	1020	0.025

EXHIBIT A
PAGE 2 of 2

Lot 3, Block 11	1020	0.025
Lot 4, Block 11	1260	0.030
Lot 5, Block 11	1260	0.030
Lot 6, Block 11	763	0.018
Lot 1, Block 12	708	0.017
Lot 2, Block 12	1020	0.025
Lot 3, Block 12	1020	0.025
Lot 4, Block 12	1020	0.025
Lot 5, Block 12	1020	0.025
Lot 6, Block 12	1260	0.030
Lot 7, Block 12	1260	0.030
Lot 8, Block 12	763	0.018
Lot 9, Block 12	483	0.012
Lot 10, Block 12	483	0.012
	41464	1.000