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Kathleen Neal - Summit County Recorder

**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
DILLON PINES TOWNHOMES**

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**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DILLON PINES TOWNHOMES**

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DILLON PINES TOWNHOMES (“Declaration”) is made by DILLON PINES TOWNHOME ASSOCIATION, INC. a Colorado non-profit corporation (the “Association”) and at least sixty-seven percent (67%) of the owners of Units at Dillon Pines Townhomes, Summit County, Colorado (the “Owners”):

RECITALS

A. Dillon Pines Townhomes is a project, located in Summit County, Colorado, originally created pursuant to the Declaration of Covenants, Easements, Restrictions and Homes Association Declaration for Dam Site Apartments – South recorded in Book 170 at Pages 358-361, as amended, in the Summit County Records, and the Declaration of Covenants, Easements, Restrictions and Homes Association Declaration for Dillon Pines Apartments - North, recorded in Book 174 at Pages 356 through 360, as amended, in the Summit County Records (the "Original Declarations") and as further set forth in the Legal Description contained in Exhibit A, attached hereto.

B. Dillon Pines Townhomes was previously governed by the two (2) Original Declarations, one (1) set of documents for Dillon Pines Apartments – North (“Dillon Pines North”), and one (1) set for Dam Site Apartments – South (“Dillon Pines South”), which created some confusion and inefficiency with respect to two legally separate projects, which nonetheless were historically managed and treated as one.

C. Dillon Pines North consists of 10 townhome lots, and Dillon Pines South, consists of 12 townhome lots (collectively the “Project”). In an effort to create one, unified set of governing documents to govern both projects under common management, the Association and the Owners adopted an Amended and Restated Declaration of Covenants, Conditions and Restrictions for Dillon Pines Townhome Association, recorded December 15, 2011 at Reception No. 981812, in the Summit County Records (the “First Amended Declaration”), which replaced the Original Declarations in their entirety.

D. In an effort to further clarify that the Project is a unified townhome project, the Association subsequently adopted an amended plat for Dillon Pines Townhomes recorded August 23, 2019, at Reception No. 1205887, in the Summit County Records (“Amended Plat”, “Map”, or “Townhome Map”. The Amended Plat vacated the lot lines between Dillon Pines North and Dillon Pines South and created a new Lot 4R, comprising the Dillon Pines Townhomes.

E. The Association and the Owners now desire to amend and restate the First Amended Declaration in its entirety as set forth in this Declaration.

F. This Declaration has been approved as required by, and in accordance with, the terms and conditions of Section 38-33.3-217, Colorado Revised Statutes.

G. The Association and the Owners desire to submit the Project to treatment under the Colorado Common Interest Ownership Act pursuant to Section 38-33.3-118, 217 and 221 of the Act. This Declaration has been approved as permitted under Section 38-33.3-120(1)(a) in accordance with the Act.

NOW, THEREFORE, in consideration of the foregoing, the Association and the Owners hereby amend and restate the First Amended Declaration in its entirety as follows:

ARTICLE 1. IMPOSITION OF COVENANTS

Section 1.1. Purpose. The purpose of this Declaration is to create a townhome project known as Dillon Pines Townhomes (“Project” or “Townhome Project”) by submitting the Property to the townhome form of ownership and use.

Section 1.2. Covenants Running With the Land. All provisions of this Declaration shall be deemed to either be covenants running with the land, or equitable servitudes, as the case may be. The obligations, benefits, burdens, and other provisions contained in and created by this Declaration shall be binding upon and shall inure to the benefit of all Owners (as such term is defined below), the Association (as such term is defined below) and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

ARTICLE 2. DEFINITIONS

The following words, when used in this Declaration, shall have the meanings designated below unless the context expressly requires otherwise:

Section 2.1. “Act” means the Colorado Common Interest Ownership Act, Sections 38-33.3-101, *et seq.*, Colorado Revised Statutes.

Section 2.2. “Allocated Interest” means the *pro rata* share of Assessments to be borne by each Unit and the undivided interest in the Common Elements as more fully set forth in Exhibit B.

Section 2.3. “Assessments” means the annual, special and default Assessments levied pursuant to this Declaration.

Section 2.4. “Association” means the Dillon Pines Townhome Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

Section 2.5. “Association Documents” or “Records” means the records and/or documents maintained by the Association including this Declaration, the Bylaws, the Rules and Regulations, the Policies and any other document(s) in the possession of the Association and maintained at the Association’s business address and/or that may be filed with the Clerk and Recorder for Summit County, Colorado.

Section 2.6. “Board of Directors” or “Board” means the governing body of the Association, as provided in this Declaration and in the Articles of Incorporation and Bylaws of the Association and in the Act.

Section 2.7. “Buildings” means the North Building and the South Building.

Section 2.8. “Bylaws” means any instruments, however denominated, which are adopted by the Association for the regulation and management of the Association, including any and all amendments thereto.

Section 2.9. “Common Elements” and/or “Common Area” means all the Property, except the Units (as defined below), which the Owners own in an undivided interest as tenants in common, for the common use and enjoyment of the Owners on a non-exclusive basis including, without limiting the generality of the foregoing, the following components:

- (a) The Property, excluding the Units, as shown on the Map;
- (b) Mechanical installations of the Buildings not contained within the Units consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer, and heating which exists for use by more than one of the Owners, including the pipes, vents, ducts, flues, cable conduits, wires, telephone wire, and other similar utility installations used in connection therewith;
- (c) The yards, sidewalks, walkways, paths, grass, shrubbery, trees, planters, driveways, roadways, landscaping, gardens, parking areas, and related facilities upon the Property, if any; and
- (d) The pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and, in general, all apparatus, installations, and equipment of the Buildings existing for use of more than one of the Owners, if any.

Section 2.10. “Common Expense Liability” means the liability for Common Expenses allocated to each Unit pursuant to this Declaration.

Section 2.11. “Common Expenses” means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, including, without limiting the generality of the foregoing, the following items:

- (a) expenses of administration, insurance, operation, common utilities, and management, repair, or replacement of the Common Elements except to the extent such repairs and replacements are the responsibilities of an Owner as provided in this Declaration;
- (b) expenses of maintenance and repair of the portions of a Unit expressly identified in Section 10.5 of this Declaration to be the maintenance responsibility of the Association;
- (b) expenses declared Common Expenses by the provisions of the Act, this Declaration or the Bylaws;
- (c) all sums lawfully assessed against the Units by the Board of Directors;
- (d) expenses agreed upon as Common Expenses by the members of the Association; and
- (e) expenses provided to be paid pursuant to any Management Agreement adopted by the Association or the Board of Directors.

Section 2.12. "Costs of Enforcement" means all monetary fees, fines, late charges, interest, expenses, costs, including receiver's and appraiser's fees, and reasonable attorney fees and disbursements, including legal assistants' fees, incurred by the Association in connection with the collection of annual, special, and default Assessments or in connection with the enforcement of the terms, conditions and obligations of the Project Documents.

Section 2.13. "Declaration" means this Declaration, and any and all supplements or amendments to this Declaration. The term Declaration includes the Map, and any and all supplements or amendments thereto.

Section 2.14. "First Mortgagee" means a holder of a Security Interest on a Unit which has priority over all other Security Interests on the Unit.

Section 2.15. "Improvements" means any building, structure or other improvement (including, without limitation, all fixtures and improvements contained therein) located on the Property, including, but not limited to, improvements within which one or more Units or Common Elements are located, but excludes without limitation the Units.

Section 2.16. "Management Agreement" means any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance, and management of the Project.

Section 2.17. "Managing Agent" means a person, firm, corporation, or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Association.

Section 2.18. "Map", "Townhome Map" or "Plat" means the plat for Dillon Pines Townhomes, and any and all supplements or amendments thereto, recorded August 23, 2019, at Reception No. 1205887.

Section 2.19. "Occupant" means any Owner, any member, partner or beneficiary of an Owner, any member of an Owner's family, or any guest, invitee, servant, tenant, employee, or licensee of an Owner, occupying a Unit or having a presence on the Common Elements for any period of time.

Section 2.20. "Owner" Any person or entity which owns record title to a Townhome Unit (including a contract seller, but excluding a contract purchaser), but excluding any person having a Security Interest in a Townhome Unit unless such person has acquired record title to the Townhome Unit pursuant to foreclosure or any proceedings in lieu of foreclosure.

Section 2.21. "Party Wall" means the common wall between units, together with the footings underlying and the portion of the roof thereover, which forms a structural part of and physically joins the improvements on the adjacent Units.

Section 2.22. "Project" or "Townhome Project" means all Units of the Dillon Pines Townhomes and the property on which the Units are situated, as more fully set forth in Exhibit A.

Section 2.23. "Project Documents" means the basic documents creating and governing the Project, including, but not limited to, this Declaration, the Articles of Incorporation of the

Association, the Bylaws, the Map, and any procedures, Rules and Regulations, or policies relating to the Project adopted under such documents by the Association or the Board of Directors.

Section 2.24. "Property" means the real property described more fully in Exhibit A, attached hereto.

Section 2.25. "Purchaser" means a person who by means of a transfer acquires a legal or equitable title in a Unit, other than a leasehold estate in a Unit of less than forty (40) years or a Security Interest.

Section 2.26. "Records" or "Association Documents" means the records and/or documents maintained by the Association including this Declaration, the Bylaws, the Rules and Regulations, the Policies and any other documents in the possession of the Association and maintained at the Association's business address and/or that may be filed with the Clerk and Recorder for Summit County, Colorado.

Section 2.27. "Rules and Regulations" means the rules and regulations promulgated by the Board of Directors for the management, preservation, safety, control, and orderly operation of the Project in order to effectuate the intent of, and to enforce the obligations set forth in, the Project Documents, as they may be amended and supplemented from time to time.

Section 2.28. "Security Interest" means an interest in a Unit 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. The holder of a Security Interest includes any insurer or guarantor of a Security Interest.

Section 2.29. "Town" means the Town of Dillon.

Section 2.30. "Townhome Unit" means the fee simple interest in and to a Unit, together with the undivided interest in the Common Elements appurtenant to the Unit, as more fully set forth in Exhibit B.

Section 2.31. "Unit" means a single unit depicted on the Map and identified in Exhibit B, or any amendment thereto, by a separate number, letter, address or other symbol and shall include the components of the building located within the Unit Boundaries as delineated and designated on the Map, except as otherwise set forth herein. A Unit shall include any heating and cooling elements or related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air conditioning, hot and cold water, electrical, gas, telephone, cable television, internet service, or other utility services to or for the Unit and located within the Unit's walls, ceilings, and floors; provided, however, that a Unit shall not include any of the utility or service lines located within the Unit but serving more than one Unit. With respect to common walls between units, the vertical boundary of the Unit shall extend to the center of the Party Wall.

ARTICLE 3. DIVISION OF PROJECT INTO TOWNHOME OWNERSHIP

Section 3.1. Division Into Units. The Property is hereby divided into twenty two (22) Units, each consisting of a fee simple interest in a Unit and an undivided fee simple interest in the Common Elements in accordance with the respective undivided interests in the Common Elements as set forth in Exhibit B. Such undivided interests in the Common Elements are hereby declared to be appurtenant to the respective Units. The total of the undivided interests in the Common Elements set forth in Exhibit B, rounded to the nearest one-hundredth percent (.01%), shall be deemed to equal one hundred percent (100%) for purposes of this Declaration.

Section 3.2. Delineation of Unit Boundaries. The boundaries of each Unit are delineated and designated by an identifying letter and/or number on the Map, and those letters and/or numbers are set forth in Exhibit B.

Section 3.3. Inseparability of Townhome Unit. No part of a Townhome Unit or of the legal rights comprising ownership of a Townhome Unit may be partitioned or separated from any other part thereof during the period of ownership prescribed in this Declaration. Each Townhome Unit shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete Unit. Every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Townhome Unit or any part thereof shall be presumed to be a disposition of the entire Townhome Unit, together with all appurtenant rights and interests created by law or by this Declaration, including the Owner's membership in the Association.

Section 3.4. Non-partitionability of Common Elements. The Common Elements shall be owned in common by all of the Owners and shall remain physically undivided, and no Owner shall bring any action for partition or division of the Common Elements. By acceptance of a deed or other instrument of conveyance or assignment to a Townhome Unit, each Owner of the Townhome Unit shall be deemed to have specifically waived such Owner's right to institute or maintain a partition action or any other cause of action designed to cause a division of the Common Elements, and this Section may be pleaded as a bar to the maintenance of such an action. Any Owner who shall institute or maintain any such action shall be liable to the Association and hereby agrees to reimburse the Association for the Costs of Enforcement in defending any such action.

Section 3.5. Alterations, Relocation of Boundaries and Subdivision of Units. Except as set forth in Section 3.6 below, Owners shall not have the right to subdivide their Units, relocate boundaries between their Unit and an adjoining Unit, or reallocate Common Elements between or among Units.

Section 3.6. Work on Units. No Owner shall undertake any work in a Unit or elsewhere in the Project which would jeopardize the soundness or safety of a Unit, building, or common property, reduce the value thereof or impair an easement or hereditament thereon or thereto without the unanimous vote of all other owners first having been obtained. Structural alterations, including combination of Units, relocation of boundaries between Units, or reallocation of Common Elements between Units shall not be made by an owner to a building, to roof trusses or other supporting members, common water, gas or steam pipes, electric or other utility conduits, plumbing or other fixtures connected therewith, nor shall an owner remove any improvements or fixtures from a building, the common property, or any part thereof without the unanimous vote of all other owners first having been obtained. In addition, no two (2) adjoining Units may be altered by any internally constructed doorway unless first approved and authorized by the Board. The Board shall not have the authorization for this purpose without being provided assurance of the required permits. Further, any such internal doorway construction to alter two adjoining Units

shall only be considered if said construction involves a doorway of not more than thirty-six (36) inches in width and only if the contemplated doorway may be restored to its original condition (no door and of the same material and workmanship and permitting requirements as was constructed prior to the alteration) upon the Unit Owner's disassociation with the Property (at the Unit Owner's expense). If any Unit Owner applies for, and is authorized to proceed with, the installation of an internal doorway between two (2) adjoining Units of the appropriate width, and said Unit Owner later relocates and vacates the premises without making the necessary repairs to restore the wall between the two (2) adjoining Units to its original condition, the Board shall have the right to take legal action against said Owner and to immediately make arrangements for the repair to the affected area in an expedited manner, with all costs to be borne by the Unit Owner having installed the doorway between the Units.

Section 3.7. Structural Alterations and Exterior Appearance. Without the prior written approval of the Association, no structural alterations to any Unit, including the construction of any additional skylight, window, door, door between adjoining Units, or any other alteration visible from the exterior of the Unit or to any of the Common Elements, shall be made or caused to be made by any Owner. Such alterations shall only be considered if in compliance with these Declarations and By-Laws of the Association. In addition, the Association shall promulgate rules and regulations ("Rules and Regulations") establishing procedures for the approvals required by this Section, and said rules may require an applicant to submit plans and specifications detailing the proposed nature, kind, shape, height, color, materials and/or location of any proposed alteration(s) in sufficient detail for the Association (and/or its agents) to review them. Further, the applicant may also be required to pay for any and all processing and/or reviewing fees associated with the proposed alteration (including professional fees charged to the Association by architects or engineers for their required review of plans and specifications submitted by the applicant).

ARTICLE 4. ALLOCATED INTERESTS

Section 4.1. Allocation of Interests. The Allocated Interest assigned to each Unit is set forth in Exhibit B. These interests have been allocated in accordance with the formula set out in Section 4.2 below.

Section 4.2. Formula for the Allocation of Interests. The undivided interest in the Common Elements and liability for any Common Expense allocated to each Unit all are based on the relative floor area of each Unit as compared to the floor area of all of the Units in the Townhome Project, as set forth on Exhibit B attached hereto. Any specified percentage, portion, or fraction of Owners, unless otherwise stated in the Project Documents, means the specified percentage, portion, or fraction of all of the Allocated Interests.

ARTICLE 5. CONVEYANCE AND TAXATION OF UNITS

Section 5.1. Conveyance Deemed to Describe an Undivided Interest in Common Elements. Every instrument of conveyance, Security Interest, or other instrument affecting the title to a Townhome Unit which legally describes a Unit shall be construed to describe such Unit, together with the undivided interest in the Common Elements appurtenant to it, and together with all fixtures and improvements contained in it, and to incorporate all the rights incident to ownership of a Townhome Unit and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, including the easement of enjoyment to use the Common Elements.

Section 5.2. Separate Tax Assessments. Pursuant to the Act and upon the filing for record of this Declaration and the Map in the Records, each of the Units shall be separately valued and assessed for property tax purposes. The lien for taxes assessed shall be confined to the Townhome Units. No forfeiture or sale of any Townhome Unit for delinquent taxes, assessments, or any other governmental charge shall divest or in any way affect the title to any other Townhome. The valuation of the Commons Elements shall be assessed proportionately to each Unit, as determined by application of the formula set forth in Section 4.2 and shown in Exhibit B, and the Common Elements shall not be separately taxed or assessed.

Section 5.3. Foreclosure.

(a) Except as may be further set forth in the Act, and except as provided in subsection (b) of this section, foreclosure or enforcement of a lien or encumbrance against the entire community does not terminate, of itself, the existence of the community. Foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community other than withdrawable real estate does not withdraw that portion from the common interest community. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate does not withdraw, of itself, that real estate from the common interest community, but the person taking title thereto may require from the association, upon request, an amendment to the declaration excluding the real estate from the common interest community prepared, executed, and recorded by the association.

(b) If a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community. The board of directors shall reallocate interests as if the foreclosed section were taken by eminent domain by an amendment to the declaration prepared, executed, and recorded by the association.

ARTICLE 6. OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS

Section 6.1. Common Elements. Every Owner and Occupant shall have a perpetual right and easement of access over, across, and upon the Common Elements for the purpose of access to and from the Unit from public ways for both pedestrian and vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to such Unit; provided, however, that such right and easement shall be subject to the following:

(a) the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration, and the Map;

(b) the right of the Association to adopt, from time to time any and all rules and regulations concerning vehicular traffic and travel upon, in, under and across the Project, including, but not by way of limitation, the right of the Association to adopt rules restricting or reserving parking spaces for the use of the Units; and

(c) the right of the Association to adopt, from time to time, any and all rules and regulations concerning the Project as the Association may determine is necessary or prudent for the management, preservation, safety, control and orderly operation of the Project for the benefit

of all Owners and Occupants, and for facilitating the greatest and most convenient availability and use of the Units and Common Elements by Owners and Occupants.

Section 6.2. Private Roadway. The Owners shall have the right to use the Private Roadway shown on the Maps for purposes of ingress and egress. The Owners shall further have the right to use the Parking Area as shown on the Maps. The Association shall have the power to enact Rules and Regulations regarding the use of the Parking Area, including the assignment of individual parking spaces at the discretion of the Association.

Section 6.3. No Obstruction. Walkways, entrances, halls, corridors, stairways, sidewalks, parking spaces, driveways and roads shall not be obstructed or used for any purpose other than ingress to and egress from the Property or a Unit therein.

ARTICLE 7. MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATIONS

Section 7.1. Association Membership. Every Owner shall be a member of the Association and shall remain a member for the period of the Owner's ownership of a Unit. No Owner, whether one or more persons or entities, shall have more than one membership per Unit owned, but all of the persons or entities owning any one (1) or more Units shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Unit. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit. If title to a Unit is held by more than one individual, by a firm, corporation, partnership, association, limited liability company, trust or other legal entity, or any combination thereof, such individuals or entities shall by written instrument executed by all such parties and delivered to the Association appoint and authorize one (1) person and/or shall provide a list of alternate persons to represent the Owners of the Unit. Such representative shall be a natural person who is an Owner, a designated board member or officer of a corporate Owner, a general partner of a partnership Owner, a manager of a limited liability company Owner, a trustee of a trust Owner or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Owners as a member of the Association, and serve on the Board of Directors if elected, subject to the provisions of and in accordance with the procedures more fully described in the Bylaws of the Association. Notwithstanding the foregoing, if the Association has not received the written instrument required above and if only one of the multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast the single vote allocated to that Unit. If the Association has not received the written instrument required above and if more than one of the multiple Owners are present, the Association may assume that any Owner who casts the vote allocated to that Unit is entitled to do so unless one or more of the other Owners of the Unit promptly protest to the person presiding over the meeting. If such protest is made, the vote allocated to the Unit may only be cast by written instrument executed by all of the Owners of the Unit who are present at the meeting.

Section 7.2. Voting Rights and Meetings. Each Unit in the Project shall have a single vote, provided, however, no vote allocated to a Unit owned by the Association may be cast. A meeting of the Association shall be held at least once each calendar year. Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Owners comprising twenty percent (20%), or any lower percentage specified in the Bylaws, of the votes in the Association. Unless the Bylaws provide otherwise, a quorum is deemed present throughout any meeting of the Association at which persons entitled to cast forty percent (40%) of the votes which may be cast for election of the Board of Directors are present, in person or by proxy at the

beginning of the meeting. In addition, the Association, in its Bylaws and/or Rules and Regulations, may authorize the Association, during the period of any delinquency, to suspend an Owner's voting privileges or any other privileges.

Section 7.3. Owners' and Association's Addresses for Notices. Owners of each separate Unit, whether the Unit is owned by a single person or by multiple persons or by a business entity of any form, shall submit one (1) single address to be used by the Association or other Owners for notices, demands, and all other communications regarding Association matters, which address may be an electronic mailing address. The Owner or the representative of the Owners of a Unit shall furnish such address to the secretary of the Association within ten (10) days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of all Owners of the Unit. If no address is provided, then any notice shall be deemed duly given if delivered to any person occupying the Unit or, if the Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association. All notices and demands intended to be served upon the Board of Directors shall be sent to the registered address of the Board of Directors or Managing Agent by registered or certified mail, postage prepaid.

Notices given in accordance with this Section may be delivered or sent: by personal delivery or electronic mail (if to Owner), which shall be effective upon receipt; by overnight courier service, which shall be effective one (1) day after deposit with the courier service; or by regular, registered or certified mail, postage prepaid, which shall be effective three (3) days after deposit in the U.S. mail.

Section 7.4. Transfer Information. All Purchasers of Unit(s) shall provide to the Association written notice of the Purchaser's name, address, Unit owned, date of transfer, and name of the former Owner within ten (10) days of the date of transfer. The Purchaser shall also provide a true and correct copy of the recorded instrument conveying or transferring the Unit or such other evidence of the conveyance or transfer as is reasonably acceptable to the Association. In addition, the Association may request such other information as the Association determines is necessary or desirable in connection with obtaining and maintaining information regarding conveyances and transfers of Units. The Association or Managing Agent shall have the right to charge the Purchaser a reasonable administrative fee for processing the transfer in the records of the Association.

ARTICLE 8. ASSOCIATION POWERS AND DUTIES

Section 8.1. Association Management Duties. Subject to the rights and obligations of other Owners as set forth in this Declaration, the Association shall be responsible for the following: the administration and operation of the Project; and, the exclusive management, control, maintenance, repair, replacement, and improvement of the Common Elements, including keeping the same in good, clean, attractive, and sanitary condition, order, and repair. Whenever the Association is charged with the responsibility of keeping Common Elements in good, clean, attractive and sanitary condition, order and repair, painting of and snow removal from such Common Elements shall be included, except as otherwise provided herein. The Association shall not have any responsibility for the cleanliness or sanitary condition of or snow and/or ice removal from decks, balconies, patios or porches, except for such snow removal as the Association may determine is necessary or appropriate. The expenses, costs, and fees of such management, control, operation, maintenance, repair, replacement, and improvement by the Association shall be part of

the Assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees. The Association may establish and maintain, out of the installments of the annual Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements that must be maintained, repaired, or replaced on a periodic basis. The Association shall adopt and amend budgets for revenues, expenditures, and reserves, which will be the basis for collection of Assessments for Common Expenses from Owners. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the requirement that it provide statements of status of Assessments. All financial and other records of the Association shall be made reasonably available for examination by any Owner and such Owner's authorized agents.

Section 8.2. Association Powers. The Association shall have, subject to the limitations contained in this Declaration and the Act, the powers necessary for the administration of the affairs of the Association and the upkeep of the Project, which shall include, but not be limited to, the power to:

- (a) adopt and amend Bylaws and Rules and Regulations;
- (b) adopt and amend budgets for revenues, expenditures and reserves;
- (c) collect assessments for Common Expenses from Owners;
- (d) hire and terminate Managing Agents and other employees, agents, and independent contractors;
- (e) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Association's Declaration, Bylaws or Rules and Regulations in the Association's name on behalf of the Association or on behalf of two (2) or more Owners on matters affecting the Project;
- (f) make contracts and incur liabilities;
- (g) regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (h) cause additional improvements to be made as part of the Common Elements;
- (i) acquire, hold, encumber, and/or convey in the Association's name any right, title, or interest to real property or personal property, provided, however, that Common Elements may be conveyed or subjected to a Security Interest only pursuant to the requirements of the Act, and, provided further, that the Association is not entitled, by act or omission, to seek to abandon, encumber, sell or transfer the Common Elements unless two-thirds (2/3) of the Owners give their prior written consent;
- (j) grant easements, including permanent easements, leases, licenses and concessions, through or over the Common Elements;
- (k) impose and receive any payments, fees, or charge for the use, rental, or operation of the Common Elements, and for services provided to Owners;

(l) impose charges for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessment, and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, Bylaws and Rules and Regulations of the Association;

(m) pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, and Rules and Regulations or Resolutions without first following the notice and hearing procedures, if the Board determines that such action is in the Association's best interests;

(n) impose reasonable charges for the preparation and recordation of amendments to this Declaration, and other Association documents, or statements of unpaid Assessments;

(o) provide for the indemnification of the Association's officers and Board of Directors and maintain Board of Directors' and officers' liability insurance;

(p) assign the Association's right to future income, including the right to receive Assessments, but only to the extent this Declaration expressly provides;

(q) exercise any other powers conferred by the Act, this Declaration, or the Bylaws;

(r) exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and

(s) exercise any other powers necessary and proper for the governance and operation of the Association.

Section 8.3. Actions by Board of Directors. Except as specifically otherwise provided in this Declaration, the Bylaws or the Act, the Board of Directors may act in all instances on behalf of the Association; provided, however, the Board of Directors may not act on behalf of the Association to amend this Declaration, to terminate the Project, or to elect members of the Board of Directors or determine the qualifications, or terms of office of members of the Board of Directors, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term that has ended prematurely.

Section 8.4. Board of Directors Meetings. All meetings of the Board of Directors at which action is to be taken by vote will be open to the Owners, except that meetings of the Board of Directors may be held in Executive Session(s), without giving notice and without the requirement that they be open to Owners, in the following situations:

(a) no action is taken at the Executive Sessions requiring the affirmative vote of the members of the Board of Directors; or

(b) the action taken at the Executive Session involves personnel, pending litigation, contract negotiations, enforcement actions, or matters involving the invasion of privacy of individual Owners, or matters which are to remain confidential by request of the affected parties and agreement of the Board of Directors.

ARTICLE 9. ASSESSMENTS

Section 9.1. Annual Assessments. The Association shall levy annual Assessments to pay for the Common Expense Liability allocated to each Unit pursuant to this Declaration. The total annual Assessments shall be based upon a budget of the Association's cash requirements for upkeep of the Townhome Project including maintenance, repair, and replacement of the Common Elements as required by the Act and the Project Documents. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of or provision for reserves, at the discretion of the Association, shall be added to reserves, shall be credited to the Owners in proportion to their Common Expense Liability, or shall be credited to them to reduce their future Assessments for Common Expenses, or any combination of the foregoing.

Section 9.2. Apportionment of Annual Assessments. The total annual Assessment for any fiscal year of the Association shall be assessed to the Units in proportion to their Allocated Interests in the Common Elements, as determined by application of the formula set forth in Section 4.2 and shown in Exhibit B, subject to:

- (a) Common Expenses which are separately metered or assessed to the Units by third parties;
- (b) Common Expenses or portions thereof predominately or exclusively benefiting fewer than all of the Units which shall be assessed against the Units benefited;
- (c) any increased cost of insurance based upon risk which shall be assessed to Units in proportion to the risk;
- (d) any Common Expense caused by the misconduct of any Owner(s), which may be assessed equally or on such other equitable basis as the Board of Directors shall determine against such Owner(s); and
- (e) any expenses which are charged equally to the Units.

All such allocations of Common Expenses to Units on a basis other than the Units' Allocated Interests in the Common Elements shall be made at the sole discretion of the Board of Directors. Unless specifically allocated on a basis other than the Units' Allocated Interests in the Common Elements, a presumption shall exist that costs and expenses are Common Expenses subject to allocation in accordance with the Units' Allocated Interests in the Common Elements. Any billing for an installment of Assessments may indicate items that are specially allocated as set forth above or items that are included in the Assessment and allocated based on the Units' Allocated Interests in the Common Elements but would commonly be the separate expense of the Owner, e.g., charges for common utilities such as gas, water or sewer.

Section 9.3. Special Assessments. In addition to the annual Assessments authorized above, the Board of Directors may at any time and from time to time determine, levy, and assess in any fiscal year a special Assessment ("Special Assessment") applicable to that particular fiscal year (and for any such longer period as the Board of Directors may determine) for the purpose of defraying, in whole or in part, the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolition, replacement, renovation, or maintenance of the Townhome Project, specifically including any fixtures and personal property related to it, and for any other expense of the Association as approved by the Board of Directors. Any amounts determined,

levied, and assessed pursuant to this Declaration shall be assessed to the Units pursuant to the provisions set forth herein. Any Special Assessment shall be subject to the same requirement for review and approval by the Owners as is the annual budget.

Section 9.4. Default Assessments. All Costs of Enforcement assessed against an Owner pursuant to the Project Documents, or any expense of the Association which is the obligation of an Owner pursuant to the Project Documents shall become a default Assessment assessed against the Owner's Unit. Notice of the amount and demand for payment of such default Assessment shall be sent to the Owner prior to enforcing any remedies for non-payment thereof.

Section 9.5. Covenant of Personal Obligation for Assessments. Owners, by acceptance of the deed or other instrument of transfer of his Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), are deemed to personally covenant and agree, jointly and severally, with all other Owners and with the Association, and hereby do so covenant and agree, to pay to the Association the (a) annual Assessments, (b) special Assessments, and (c) default Assessments applicable to the Townhome Owner's Unit. No Owner may waive or otherwise escape personal liability for the payment of the Assessments provided for in this Declaration by not using the Common Elements or the facilities contained in the Common Elements or by abandoning or leasing his Unit.

Section 9.6. Lien for Assessments; Assignment of Rents. The annual, special, and default Assessments (including installments of the Assessments) arising under the provisions of the Project Documents shall be burdens running with, and shall be a perpetual lien and/or a statutory lien as set forth in the Act, in favor of the Association, upon the specific Unit to which such Assessments apply. To further evidence such lien upon a specific Unit, the Association shall prepare a written lien notice setting forth the description of the Unit, the amount of Assessments on the Unit unpaid as of the date of such lien notice, the rate of default interest as set by the Rules and Regulations, the name of the Owner or Owners of the Unit, and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board of Directors, an officer of the Association, or the Managing Agent and shall be recorded in the Records. Any such lien notice shall not constitute a condition precedent or delay the attachment of the lien, but such lien is a perpetual lien upon the Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied. Upon any default in the payment of annual, special, or default Assessments, the Association shall also have the right to appoint a receiver to collect all rents, profits, or other income from the Unit payable to the Owner and to apply all such rents, profits, and income to the payment of delinquent Assessments. Each Owner, by ownership of a Unit, agrees to the assignment of such rents, profits, and income to the Association effective immediately upon any default in the payment of annual, special, or default Assessments.

Section 9.7. Purchaser's Liability for Assessments. Notwithstanding the personal obligation of each Owner to pay all Assessments on the Unit, and notwithstanding the Association's perpetual lien upon a Unit for such Assessments, all Purchasers shall be jointly and severally liable with the prior Owner(s) for any and all unpaid Assessments against such Unit, without prejudice to any such Purchaser's right to recover from any prior Owner any amounts paid thereon by such Purchaser. A Purchaser's obligation to pay Assessments shall commence upon the date the Purchaser becomes the Owner of a Unit. For Assessment purposes, the date a Purchaser becomes the Owner shall be determined as follows:

(a) in the event of a conveyance or transfer by foreclosure, the date a Purchaser becomes the Owner shall be deemed to be upon the expiration of all applicable redemption periods;

(b) in the event of a conveyance or transfer by deed in lieu of foreclosure, a Purchaser shall be deemed to become the Owner of a Unit upon the execution and delivery of the deed or other instruments conveying or transferring title to the Unit, irrespective of the date the deed is recorded; and

(c) in the event of conveyance or transfer by deed, a Purchaser shall be deemed to become the Owner upon the execution and delivery of the deed or other instruments conveying or transferring title of the Unit, irrespective of the date the deed is recorded.

However, such Purchaser shall be entitled to rely upon the existence and status of unpaid Assessments as shown upon any certificate issued by or on behalf of the Association to such named Purchaser pursuant to the provisions set forth below in this Declaration.

Section 9.8. Waiver of Homestead Exemption. By acceptance of the deed or other instrument of transfer of a Unit, each Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended.

Section 9.9. Subordination of Association's Lien for Assessments. The Association's perpetual lien on a Unit for Assessments shall be superior to all other liens and encumbrances except the following:

(a) real property ad valorem taxes and special assessment liens duly imposed by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and

(b) the lien of any First Mortgagee except to the extent the Act grants priority for Assessments to the Association.

Any First Mortgagee who acquires title to a Unit by virtue of foreclosing a First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any Purchaser at a foreclosure sale of the First Mortgage, will take the Unit free of any claims for unpaid Assessments and Costs of Enforcement against the Unit which accrue prior to the time such First Mortgagee acquires title to the Unit except to the extent the amount of the extinguished lien may be reallocated and assessed to all Units as a Common Expense and except to the extent the Act grants lien priority for Assessments to the Association. All other persons not holding liens described in this Section and obtaining a lien or encumbrance on any Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's lien for Assessments and Costs of Enforcement as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance.

Sale or other transfer of any Unit, (a) except as provided above with respect to First Mortgagees, (b) except in the case of foreclosure of any lien enumerated in this Section, and (c) except as provided in the next Section, shall not affect the Association's lien on such Unit for Assessments due and owing prior to the time such Purchaser acquired title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof. Further,

no such sale or transfer shall relieve the Purchaser of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

Section 9.10. Liens. Except for Assessment liens as provided in this Declaration, mechanics' liens (except as prohibited by this Declaration), tax liens, judgment liens and other liens validly arising by operation of law, and liens arising under Security Interests, there shall be no other liens obtainable against the Common Elements or against the interest of any Owner in the Common Elements except a Security Interest in the Common Elements granted by the Association pursuant to the requirements of the Act.

ARTICLE 10. MAINTENANCE RESPONSIBILITY

Section 10.1. Owner's Rights and Duties with Respect to Interiors. Each Owner shall have the exclusive right and duty to paint, tile, wax, paper, or otherwise decorate or redecorate and to maintain and repair the interior surfaces of the walls, floors, ceilings, windows, and doors, forming the boundaries of such Owner's Unit and all walls, floors, ceilings, and doors within such boundaries.

Section 10.2. Responsibility of the Owner. The Owner at his expense shall maintain and keep in good repair the Unit, except those portions of the Unit expressly identified in this Declaration and the Bylaws as the maintenance responsibility of the Association. All fixtures, equipment, and utilities installed and included in a Unit commencing at a point where the fixtures, equipment, and utilities enter the Unit shall be maintained and kept in good repair by the Owner of that Unit. An Owner shall not allow any action or work that will impair the structural soundness of the Improvements, impair the proper functioning of the utilities, heating, ventilation, or plumbing systems or integrity of the Improvement(s), impair any easement or hereditament, or violate any applicable building codes. An Owner shall not be responsible for repairs occasioned by casualty unless such casualty is due to the act or negligence of the Owner or an Occupant of the Unit.

Section 10.3. Owner's Failure to Maintain or Repair. In the event that a Unit, the fixtures, equipment or utilities therein are not properly maintained and repaired by the Owners as required pursuant to this Article 10, or in the event that the fixtures, equipment or utilities in the Unit are damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue repair and reconstruction to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit, fixtures, equipment or utilities therein to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner upon demand. All unreimbursed costs shall be a lien upon the Unit until reimbursement is made, and any resulting lien may be enforced in the same manner as a lien for unpaid Assessments.

Section 10.4. Owner's Negligence. In the event that the need for maintenance, repair, or replacement of all or any portion of the Common Elements or another Unit is caused through or by the negligent or willful act or omission of an Owner or Occupant, then the expenses incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Owner; and, if the Owner fails to repay the expenses incurred by the Association within seven (7) days after notice to the Owner of the amount owed, then the failure to so repay shall be a default

by the Owner, and such expenses shall automatically become a default Assessment determined and levied against such Unit, enforceable by the Association in accordance with this Declaration.

Section 10.5. Responsibility of the Association. The Association shall maintain and keep in good repair, replace, and improve, as a Common Expense, all of the portions of a Unit expressly identified in this Declaration as the maintenance responsibility of the Association, including the decks, patios, siding, exterior paint, roof, shingles, roof trusses, structural components of the roof, and any other portions of the Project otherwise not required in this Declaration to be maintained and kept in good repair by an Owner.

Section 10.6. Party Walls.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of either of the Buildings and is located or placed on the dividing line between Units shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Easements. The Owner of each Unit shall have a perpetual and reciprocal easement in and to that part of another Unit on which a Party Wall is located for the exclusive purposes of mutual support, maintenance, repair and inspection of such Party Wall. For the purpose of repairing and maintaining a Party Wall, the Owner of each Unit is granted the right to enter the other Unit with which it shares a Party Wall to do work necessary in the exercise of the rights provided herein at all reasonable times, or immediately in the event of an emergency.

(c) Use. The Owners of the Units shall have the full right to use the Party Walls to support joists, cross-beams, studs and other structural members as required for the support of the improvements located upon the Units and for the reconstruction or remodeling of such improvements; provided, however, that such use shall not injure the improvements located on the opposite side of such Party Wall and shall not impair the structural support to which any such improvements are entitled.

(d) Extension/Modification. No extension or modification of a Party Wall may be made by any Owner, or person acting on behalf of such Owner unless prior written agreement thereto first shall have been obtained from the other Owner sharing the Party Wall, and provided that such agreement expressly refers to this Declaration and is filed of record in the County of Summit, State of Colorado.

(e) Repair and Maintenance. After reasonable notice, the Owner of each Unit shall have the right to break through an appurtenant Party Wall for the purpose of repairing or maintaining utilities located within the Party Wall, subject to the obligation to restore such Party Wall to its previous structural condition at such Owner's sole expense.

(f) Cost. The cost of reasonable repair and maintenance of each Party Wall shall be shared equally and jointly by the Owners of the Units on either side of such Party Wall, provided that the cost of repairs and maintenance of the finished surface of the Party Wall and of utilities within the Party Wall shall be the sole expense of the Owner of the Unit with the finished surface or serviced by the utilities.

(g) Damage. If a Party Wall is damaged or destroyed, such damage or destruction shall be promptly repaired and reconstructed. Repair and reconstruction means the restoration of the Party Wall to substantially the same condition in which it existed prior to such damage or destruction. To the extent that such damage or destruction of the Party Wall is covered by insurance, the full insurance proceeds shall be used and applied to repair and reconstruct the Party Wall, or other Improvements. If the insurance proceeds are insufficient to repair and reconstruct the Party Wall, any such deficiency shall be the joint and equal expense of the Owners who share such Party Wall without prejudice, however, to the right of any Owner to demand a larger contribution from another Owner under any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding anything contained above to the contrary, if the negligence or willful act or omission of any Owner, his agent or invitee, shall cause damage to, or destruction of, a Party Wall or any utilities within a Party Wall, such Owner shall bear the entire costs of repair or reconstruction of the Party Wall and of any resulting damage to the improvements of another Unit.

ARTICLE 11. MECHANICS' LIENS

Section 11.1. Mechanics' Liens. No labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner or the Owner's agent, contractor, or subcontractor, shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanics' lien or for labor performed or for materials furnished in work on such Owner's Unit, against the Unit of another Owner or against the Common Elements, or any part thereof.

Section 11.2. Enforcement by the Association. At its own initiative or upon the written request of any Owner (if the Association determines that further action by the Association is proper), the Association shall enforce the indemnity provided by the provisions of this Article by collecting from the Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanics' lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. If the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to indemnify within five (5) days after the Association shall have given notice to such Owner of the total amount of the claim, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section, and such amount to be indemnified shall automatically become a default Assessment determined and levied against such Unit, and enforceable by the Association pursuant to this Declaration.

ARTICLE 12. PERMITTED USES AND USE RESTRICTIONS

Section 12.1. Permitted Use of Units. The Units may be used only for the purposes of long-term and short-term residential purposes. All Owners shall be jointly and severally liable to the Association for the acts and omissions of Occupants which constitute a violation of, or non-compliance with, the provisions of this Declaration, or any other Rules and Regulations adopted by the Association or the Board of Directors. Owners shall indemnify and hold the Association

harmless from any damage caused by Occupants and shall be responsible for paying any claims, damages or liabilities resulting from any such damage. Owners may rent or lease their Units to others for the permitted residential purposes.

Section 12.2. Limitation on Timeshare/Fractional Ownership. No Owner shall offer and no Unit shall be used for the operation of a timesharing, fractional ownership, interval exchange, or similar program whereby the right to exclusive use of a Unit for any time period is provided for through acquisition of an ownership interest in a Unit with attendant rights to periodic use or through acquisition of contract rights to such periodic use, regardless of whether such use right is recorded or unrecorded or fixed or floating (all of the foregoing uses or programs of ownership hereinafter called "Occupancy Plan"), without the specific prior written approval of the Association. The foregoing shall not prohibit or limit the membership rights provided for in Section 12.1(a) above.

Section 12.3. Use of Common Elements. There shall be no permanent obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements by any Owner without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from the Common Elements by any Owner without the prior written approval of the Association; provided however, the Association may promulgate rules and regulations establishing an area on the Common Elements for temporary storage of Owner owned sporting equipment or, if none is so established, the above shall apply. The Association may also promulgate rules and regulation establishing procedures for personal vehicles and for small vehicle parking.

Section 12.4. Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on all or any part of the Townhome Project or in an increase in the rate of the insurance on all or any part of the Townhome Project over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Unit or in or on the Common Elements which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body having jurisdiction over the Townhome Project. No damage to or waste of the Common Elements shall be committed by any Owner or Purchaser, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him, an Occupant of his Unit, or a Purchaser. Failure to so indemnify shall be a default by such Owner under this Section. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is proper), the Association shall enforce the foregoing indemnity as a default Assessment levied against such Unit.

Section 12.5. Use Restrictions. The Association may promulgate rules regarding use restrictions for the Property. Owners (and only Owners) may keep household domestic pets. The Association may promulgate rules regarding the keeping of any pets upon the Property, or portions thereof, as may be necessary at a minimum to comply with zoning approvals or regulations of governmental entities having jurisdiction over the Property.

Section 12.6. No Deed Restrictions on Units. Owners shall not permit any type of deed restrictions, including but not limited to any employee housing deed restrictions, to be placed on any Unit or the Property. If an Owner does allow a deed restriction to be placed on a Unit in

violation of this section, such Owner shall be liable to the Association for paying any costs, legal fees, claims, damages or liabilities that may be incurred by the Association in having such deed restriction removed from the Unit.

Section 12.7 Signs and Flags No sign, notice, or other advertisement shall be placed in any window, on any deck, balcony or patio, or on any entrance door of or to any Unit, except as follows:

(a) An Owner or occupant is allowed to display one political sign per political office or ballot issue with the maximum dimensions of such sign limited to the lesser of: (a) 36" by 48" inches, or (b) the maximum size allowable by any applicable local ordinance that regulates the size of political signs on residential property. Any political sign shall be displayed only in a window of an Owner's Unit, or on the Unit Owner's property, and shall not be displayed earlier than forty-five (45) days before an election, or later than seven (7) days after an election day. As used in this section, "political sign" shall mean a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.

(b) An Owner or Occupant may display an American flag in a window of the Unit Owner's residence, or on a balcony, deck or patio adjoining the Unit Owner's property, if the American flag is displayed in a manner consistent with the applicable sections of the federal flag code (P.L. 94-344; 90 stat. 801; 4 U.S.C. 4 through 10), and does not exceed 36" by 48". In addition, any Owner desiring to install a flagpole shall submit such a request to the Board of Directors. The Board of Directors shall not prohibit the installation of a flagpole; however, the Board may regulate the location and size of said flagpole, at its sole discretion.

(c) An Owner or Occupant may display a service flag bearing a star denoting the service of the Owner or Occupant, or a member of the Owner's or Occupant's immediate family in the active or reserve military service of the United States during a time of war or armed conflict, on the inside of a window or door of the Unit. The maximum size of a service flag shall be 9" by 16".

In addition, the Association may provide uniform guidelines for real estate signs advertising Units for sale.

Section 12.8. Emergency Vehicle Parking. The Association shall not prohibit the parking of a motor vehicle in the community if the Owner or Occupant of the Unit is required by its employer to have the vehicle at his residence during designated times, and the following requirements are met:

(a) The vehicle has a gross vehicle weight rating of Ten Thousand (10,000) pounds or less;

(b) The Owner or Occupant is a bona fide member of a volunteer fire department, or is employed by an emergency service provider as defined in C.R.S. § 29-11-101(1.6);

(c) The vehicle bears an official emblem or other visible designation of the emergency service provider; and

(d) Parking of the vehicle will not obstruct other emergency access or interfere with the reasonable needs of the other Owners or Occupants to access parking areas and driveways within the Project.

Section 12.9. Decks and Patios. The decks and patios in or on the Property shall be considered part of the Unit; however, except as otherwise set forth herein, the Association shall be responsible for maintenance and repair of the decks and patios, which shall be treated as a Common Expense. The use of any decks and/or patios adjacent to each Unit shall be limited to the exclusive use of the Owner whose Unit is adjoining the deck or patio.

Section 12.10. Landscaping. Upon the submission of plans for approval by the Board of Directors, Owners may choose to landscape areas of the Property that are a part of the specific Owner's Unit (such as ground level garden areas located within the Unit Owner's deck area) and that are not part of the Common Elements or Area. In addition, no section or article of this Declaration, or of any other of the Association's Documents, shall be interpreted to prohibit or limit the installation of xeriscape or other drought tolerant vegetative landscapes. "Xeriscape" shall mean the application of the principles of landscape planning and design, soil analysis and improvement, appropriate plant selection, limitation of turf area, use of mulches, irrigation efficiency, and appropriate maintenance that results in water efficiency and water-saving practices.

Section 12.11. Energy Generating Devices. Owners may install solar energy or wind-electric energy generating devices, upon application to, and approval by, the Association, which approval will not be unreasonably withheld. In making its decision regarding an Owner's application to install the aforementioned energy-generating devices, the following five factors will be considered:

- (a) The rights of Owners to generate solar or wind energy must be subject to reasonable architectural controls and shall be subject to reasonable restrictions as to: (i) dimensions, (ii) placement, or (iii) external appearance;
- (b) The cost to the other Owners shall not be significantly increased;
- (c) There must be no decrease in performance or efficiency of any already existing energy generating device;
- (d) Bona fide safety factors must be in place; and
- (e) Sound must be reasonably regulated.

In addition, the following energy-saving devices shall be permitted upon application to, and approval by, the Association (which approval will not be unreasonably withheld): awnings, shutters, trellises, armadas, other shade structures marketed for the purpose of reducing energy consumption, garage or attic fans and associated vents or louvers, evaporative coolers, energy efficient outdoor lighting devices, and retractable clotheslines.

Notwithstanding the foregoing, none of the above-references devices may be placed on any of the following: (i) property owned by someone else; (ii) leased property (except with permission of the lessor); (iii) any property that serves as collateral for a commercial loan (except with the permission of the lender); and (iv) general or limited Common Elements within the Project.

ARTICLE 13. EASEMENTS

Section 13.1. Easement of Enjoyment. Every Owner shall have a non-exclusive easement for the use and enjoyment of the Common Elements, which shall be appurtenant to and shall pass with the title to every Unit, subject to the easements set forth in this Article and the easements and restrictions set forth in Article 6; provided however, that the use of the decks and patios adjacent to each Unit shall be limited to the exclusive use of the Owner whose Unit is adjoining the deck or patio. This provision shall not extend to the walkways.

Section 13.2. Delegation of Use. Any Owner may delegate, in accordance with the Project Documents, the Owner's right of enjoyment in the Common Elements to an Occupant of the Owner's Unit.

Section 13.3. Recorded Easements. The Property shall be subject to any easements as shown on any recorded plat affecting the Property, and as shown on the recorded Map and as reserved or granted under this Declaration.

Section 13.4. Easements for Encroachments. The Project, and all portions thereof, are subject to easements hereby created for encroachments between Units and the Common Elements as follows:

(a) in favor of all Owners so that they shall have no legal liability when any part of the Common Elements encroaches upon a Unit;

(b) in favor of each Owner so that the Unit owner shall have no legal liability when any part of his Unit encroaches upon the Common Elements or upon another Unit; and

(c) in favor of all Owners, the Association, and the Owner of any encroaching Unit for the maintenance and repair of such encroachments.

Encroachments referred to in this Section include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Improvements or any Unit constructed on the Property, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project; provided, however, that encroachments created by the intentional act of an Owner shall not be deemed to create an easement on the Property and shall be considered an encroachment upon the Project. Such encroachment shall be removed at Owner's expense immediately upon notice from the Association. In the event such encroachment is not timely removed, the Association may effect removal of the encroachment and the expense thereof shall be a default Assessment to the Owner.

Section 13.5. Utility Easements. There is hereby created a general easement upon, across, over, in, and under all of the Property for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including but not limited to water, sewer, gas, telephone, electricity, and a cable communication system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such utilities to erect and maintain the necessary equipment on the Property and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits on and/or under the Property. Any utility company using this general easement shall use its best efforts to install and maintain the utilities provided without

disturbing the uses of other utilities, the Owners and the Association; shall complete its installation and maintenance activities as promptly as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any utility company furnishing a service covered by this general easement request a specific easement by separate recordable document, the Board of Directors shall have, and are hereby given, the right and authority to grant such easement upon, across, over, or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this Section shall in no way affect, avoid, extinguish, or modify any other recorded easement on the Property.

Section 13.6. Emergency Access Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or persons to enter upon the Common Elements in the proper performance of their duties.

Section 13.7. Maintenance Easement. An easement is hereby granted to the Association and any Managing Agent and their respective officers, agents, employees, and assigns upon, across, over, in, and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

Section 13.8. Easements of Access for Repair, Maintenance, and Emergencies. Some of the Common Elements are or may be located within the Units or may be conveniently accessible only through the Units. The Owners of other Units and the Association, including the Managing Agent, shall have the right, to be exercised by the Association as the Owners' agent, to have access to each Unit and to all Common Elements from time to time during such reasonable hours, with the approval of the Owner of the Unit, as may be necessary for the maintenance, repair, removal, or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit. Unless caused by the negligent or willful act or omission of an Owner or Occupant, damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair, removal, or replacement of any of the Common Elements or as a result of emergency repair within another Unit at the instance of the Association or of the Owners shall be a Common Expense. Notwithstanding the foregoing, the Association, including the Managing Agent, shall have the right of access to each Unit at any time, without such notice or approval of the Owner in the case of an emergency or for emergency repairs. Such entrance, however, shall be reported to the owner of such Unit as soon as reasonably practical, but in no event later than twenty-four hours (24 hours) following such occurrence.

Section 13.9. Easements Deemed Created. All conveyances of Units 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 for such conveyance.

ARTICLE 14. INSURANCE

Section 14.1. Coverage. The Association shall obtain and maintain insurance coverage pursuant to the Act and as set forth in this Article.

(a) Property Insurance. The Association shall maintain property insurance on the Common Elements for broad form covered causes of loss in amount of insurance not less than the full insurable replacement cost of the insured property less applicable deductibles at the time

insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property insurance policies. Such insurance shall cover all insurable improvements located on or constituting part of the Project, excluding the Units, together with all common service machinery contained therein.

(b) Liability Insurance. The Association shall maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements, insuring the Board of Directors, the Association, the Managing Agent, and their respective employees, agents and all other persons who may be acting as agents. Owners shall be included as additional insured but only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements. The insurance shall cover claims of one or more insured parties against the other insured parties. Any Managing Agent of the Association shall also be responsible for obtaining proper liability insurance

(c) Fidelity Insurance. The Association shall maintain fidelity insurance in an amount not less than two (2) months' current Assessments plus reserves as calculated from the current budget of the Association on all persons who control or disburse funds of the Association. Any person employed as an independent contractor by the Association, including the Managing Agent, must obtain and maintain fidelity insurance in like amount for the benefit of the Association unless the Association names such person as an insured employee in the policy of fidelity insurance specified above.

(d) Other Insurance. The Board of Directors may also procure insurance against such additional risks of a type normally carried with respect to properties of comparable character and use that the Board of Directors deems reasonable and necessary in order to protect the Project, the Association and the Owners.

Section 14.2. Required Provisions. All insurance policies carried by the Association pursuant to the requirements of this Article must provide that:

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

(b) the insurer waives its rights to subrogation under the policy against any Owner or member of his household;

(c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy;

(d) if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the risks covered by the policy, the Association's policy provides primary insurance;

(e) any loss covered by the policies must be adjusted with the Association;

(f) the insurance proceeds for any loss shall be payable to an insurance trustee designated for that purpose, or otherwise to the Association and not to any holder of a Security Interest;

(g) the insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or holder of a Security Interest; and

(h) the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association and any Owner(s) to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

Section 14.3. Adjustment of Claims. The Association may adopt and establish written non-discriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles a property insurance claim, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. In the event more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro-rata share of any deductible paid by the Association.

Section 14.4. Owners' Insurance Policies. Each Owner, at his or her own cost, shall obtain additional insurance for his or her Unit, covering damage to, or the loss of the Unit, including interior walls, floors, ceilings, subfloors, floor and ceiling joists, wall/ceiling and floor surfaces and coverings (including drywall), fixtures, appliances, equipment, furniture, additions and other furnishings and personal property within the Unit owned by such Owner, or located on the appurtenant Common Elements. Such Owner's policies shall cover the full insurable replacement cost of the insured property less applicable deductibles at the time insurance is purchased and at each renewal date and shall also cover such Owner's liability for claims and liabilities arising in connection with the ownership or use of the Unit with such coverage limits as the Association may reasonably determine, so long as all such policies shall contain waivers of subrogation and provide further that the liability of the carriers issuing insurance to the Association hereunder shall not be effected or diminished by reason of any such insurance carried by any Owner.

ARTICLE 15. RESTORATION UPON DAMAGE OR DESTRUCTION

Section 15.1. Duty to Restore. Any portion of the Project for which insurance carried by the Association is in effect that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

(a) the Townhome Project is terminated;

(b) repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety; or

(c) prior to the conveyance of any Unit to a Purchaser, the holder of a Security Interest on the damaged portion of the Project rightfully demands all or a substantial part of the insurance proceeds.

In the event the Project is not repaired or replaced as allowed by Subparagraphs (a), (b) and (c) above, then the Project shall be sold and the proceeds distributed pursuant to the procedures provided for in the Act for termination of projects.

Section 15.2. Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 15.3. Plans. The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board of Directors and a majority of Owners.

Section 15.4. Replacement of Less Than Entire Property. If the entire Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Project and, except to the extent that other persons will be distributees:

- (a) the insurance proceeds attributable to a Unit that is not rebuilt must be distributed to the Owner of the Unit, or to holders of Security Interests, as their interests may appear;
- (b) the remainder of the proceeds must be distributed to each Owner or holders of Security Interests, as their interests may appear, in proportion to the Allocated Interests in the Common Elements of all the Units; and
- (c) if the Owners vote not to rebuild a Unit, the Allocated Interests of the Unit are reallocated upon the vote as if the Unit had been condemned, and the Association promptly shall prepare, execute and record an amendment to this Declaration reflecting the reallocations.

Section 15.5. Insurance Proceeds. The insurance trustee, or if there is no insurance trustee, then the Board of Directors, acting by the President, shall hold any insurance proceeds in trust for the Association, Owners and holders of Security Interests as their interest may appear. Subject to the provisions of Sections 15.1 and 15.4 above, the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Owners, and holders of Security Interests 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, or the Project is terminated, in which event the surplus proceeds will be distributed as provided in Sections 15.1 and 15.4 above.

Section 15.6. Certificates by the Board of Directors. The insurance trustee, if any, may rely on the following certifications in writing made by at least seventy five percent (75%) of the Owners of the Association:

- (a) whether or not damaged or destroyed Property is to be repaired or restored; and
- (b) the amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 15.7. Certificates by Attorneys or Title Insurance Companies. If payments are to be made to Owners or holders of Security Interests, the Board of Directors and the insurance trustee, if any, shall obtain and may rely on a title insurance company or attorney's certificate of

title or a title insurance policy based on a search of the Records from the date of recording of this Declaration stating the names of the Owners and the holders of Security Interest.

ARTICLE 16. OBSOLESCENCE

Section 16.1. Obsolescence of Common Elements. If at any time the Owners of eighty percent (80%) or more of the Common Elements shall agree that any of the improvements constituting Common Elements have become obsolete and shall approve a plan for their renovation or restoration, the Association (as attorney-in-fact for the owners) shall promptly cause such renovation or restoration to be made according to such plan. All owners shall be bound by the terms of such plan, and the costs of the work shall be a common expense, to be assessed and paid as provided herein.

Section 16.2. Sale of Project. If at any time the Owners of eighty percent (80%) or more of the Common Elements shall agree that the Project should be sold, the Association (as attorney-in-fact for the owners) shall promptly record in the real estate records of Summit County, Colorado a notice of such facts, and shall sell the entire property, free and clear of the provisions of this Declaration and the Map, which shall wholly terminate and expire upon the closing of such sale. The proceeds of such sale shall be collected, applied and divided among the Owners of the Association in the accordance with the percentage of such Owner's interest in the Common Elements.

ARTICLE 17. EMINENT DOMAIN

(a) If a Unit is acquired by eminent domain or part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award must include compensation to the Unit Owner for that Unit and its allocated interests whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, that Unit's allocated interests are automatically reallocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking. Any remnant of a Unit remaining after part of a Unit is taken under this subsection (a) shall thereafter be deemed a part of the Common Elements.

(b) Except as provided in subsection (a) of this section, if part of a Unit is acquired by eminent domain, the award must compensate the Unit Owner for the reduction in value of the Unit and its interest in the Common Elements whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides:

(i) That Unit's allocated interests are reduced in proportion to the reduction in the size of the Unit or on any other basis specified in the Declaration; and

(ii) The portion of allocated interests divested from the partially acquired Unit is automatically reallocated to that Unit and to the remaining Units in proportion to the respective interests of those Units before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced allocated interests.

(c) If part of the Common Elements is acquired by eminent domain, that portion of any award attributable to the Common Elements taken must be paid to the association. Unless the

Declaration provides otherwise, any portion of the award attributable to the acquisition of a limited Common Element must be equally divided among the Owners of the Units to which that limited Common Element was allocated at the time of acquisition. For the purposes of acquisition of a part of the Common Elements other than the limited Common Elements under this subsection (c), service of process on the Association shall constitute sufficient notice to all Unit Owners, and service of process on each individual Unit Owner shall not be necessary.

(d) The court decree shall be recorded in every county in which any portion of the Dillon Pines Townhome Association is located.

(e) The reallocations of allocated interests pursuant to this section shall be confirmed by an amendment to the Declaration prepared, executed, and recorded by the Association.

ARTICLE 18. DURATION OF COVENANTS; AMENDMENT AND TERMINATION

Section 18.1. Term. This Declaration and any amendments or supplements to it shall run with the land and be binding and in full force and effect in perpetuity, subject to the termination provisions hereof and of the Act.

Section 18.2. Amendment of Declaration. Except to the extent that this Declaration and the Act expressly permit or require amendments that may be executed by the Association, this Declaration (including the Map) may be amended only by a vote or agreement of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 18.3. Execution of Amendments; Expenses. Any amendment shall be prepared, executed, and recorded either by an officer of the Association designated for that purpose or, in the absence of a designation, by the President of the Association. All expenses associated with preparing and recording an amendment to this Declaration shall be treated as a Common Expense of the Association.

Section 18.4. Recording of Amendments. Any amendment to this Declaration made in accordance with this Article shall be immediately effective upon the recording of the executed amendment in the Records together with a duly authenticated certificate of the Secretary of the Association stating that the required vote of Owners, if any, were obtained and are on file in the office of the Association.

Section 18.5. Rights of Eligible First Mortgagees. To the extent allowed by the Act, Eligible First Mortgagees shall have the right to approve specified actions of the Owners or the Association.

Section 18.6. Termination of the Townhome Project. The Project may only be terminated as provided in the Act.

ARTICLE 19. MISCELLANEOUS

Section 19.1. Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the other Project Documents shall be through any proceedings at law or in equity brought by any

CERTIFICATION

The President of the Dillon Pines Townhome Association, Inc., by her signature below, hereby certifies, affirms and attests that the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Dillon Pines Townhomes amending the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Dillon Pines Townhome Association, recorded December 15, 2011 with the Office of the Summit County Clerk and Recorder under Reception No. 981812, as shown on the attachment hereto has been approved and adopted by no less than sixty-seven percent (67%) of the Owners, and that the signatures of the Owners approving such amendment to the Declaration are on file in the records of the Association.

DILLON PINES TOWNHOME ASSOCIATION, INC., a Colorado nonprofit corporation

By: Tori Gustafson
Tori Gustafson, President

STATE OF Colorado)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 19th day of September, 2019 by Tori Gustafson, as President of the Dillon Pines Townhome Association, Inc., a Colorado non-profit corporation.

Witness my hand and official seal.

My Commission Expires: 9-09-2022

CHARLOTTE K EVANS
Notary Public
State of Colorado
Notary ID # 20104035528
My Commission Expires 09-09-2022

Charlotte K Evans
Notary Public

aggrieved Owner or the Association against the Association or any Owner, subject to the requirement of any mediation or arbitration as required by the Association. Such actions may seek remedy by injunction or restraint of a violation or attempted violation, or an action for damages, or any of them, without the necessity of making an election. Venue for any such action shall be in Summit County, Colorado.

Section 19.2. Non-waiver. Failure by the Association, or any Owner, Occupant or Eligible First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in the Project Documents shall in no way or event be deemed to be a waiver of the right to do so at any allowable time thereafter.

Section 19.3. Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions of it by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which provisions shall remain in full force and effect. Any provision which would violate the rule against perpetuities and the rule prohibiting unlawful restraints on alienation shall be construed in a manner as to make this Declaration valid and enforceable.

Section 19.4. Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

Section 19.5. Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

Section 19.6. Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the Articles of Incorporation of the Association, the Bylaws, and the Rules, Regulations and Procedures, this Declaration shall control, except to the extent this Declaration is inconsistent with the Act. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the Bylaws or the Rules, Regulations, and Procedures, the Articles of Incorporation of the Association shall control.

Section 19.7. Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Section 19.8. Choice of Law. This Declaration shall be construed and interpreted in accordance with the laws of the State of Colorado.

Section 19.9. Rule Against Perpetuities. The rule against perpetuities does not apply to defeat any provision of the declaration, bylaws, or rules and regulations.

Section 19.10. Compliance with the Act. Title to a Unit and the Common Elements is not rendered unmarketable or otherwise affected by reason of an insubstantial failure of the declaration to comply with the Act.

[CERTIFICATION PAGE TO FOLLOW]

**EXHIBIT A
TO
SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DILLON PINES TOWNHOMES**

Legal Description of Property:

LOT 4R, BLOCK D, NEW TOWN OF DILLON, SUMMIT COUNTY,
COLORADO.

**EXHIBIT B
TO
SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DILLON PINES TOWNHOMES**

Dillon Pines Townhome – North Building

Townhome Unit	Allocated Interest
1	5.166%
2	5.166%
3	4.510%
4	4.510%
5	4.510%
6	4.510%
7	4.510%
8	4.510%
9	4.510%
10	4.510%

Dillon Pines Townhome - South Building

Townhome Unit	Allocated Interest
1	4.378%
2	4.378%
3	4.378%
4	4.378%
5	4.378%
6	4.378%
7	4.378%
8	4.378%
9	4.378%
10	4.378%
11	4.904%
12	4.904%