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Kathleen Neel - Summit County Recorder

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TOWNHOME CONDOMINIUM DECLARATION
OF

BACK COUNTRY CABINS

THIS TOWNHOME CONDOMINIUM DECLARATION, made by Back Country Cabins, LLC, P.O. Box 4272, Frisco, CO 80443 ("Declarant")

RECITALS

A. Declarant is the owner of that real property located in the Town of Frisco, Summit County, Colorado, which property is more particularly described below:

Lots 17, 18, and 19, Block 2, King Solomon Addition to Frisco Townsite, Town of Frisco, Summit County, Colorado, 80443 as more fully depicted in the Plat attached hereto as Exhibit A, (hereinafter, The Property).

B. Declarant desires to create a planned community consisting of six Town-homes as that term is defined by Section 157-8 of the Town of Frisco, Colorado, Municipal Code on the Property described above, in which the Units are designated for separate ownership. The remainder of the Property will be owned by the Back Country Home Owners Association, Inc., named below and designated as Common Elements or as Limited Common Elements. "Open space" areas depicted on the Plat are deemed a Limited Common Area for the Unit to which they are appurtenant and are intended to qualify for Cabin zoning pursuant to the Frisco, Colorado, Municipal Code. Frisco, Colorado is a home rule municipality. Units are freestanding structures with no party walls and the structure and the land on which it is built constitutes the Unit. Every Unit has beneficial rights in common walkways, open space and a common deck and, in some instances, assigned parking outside the garage that is part of a Unit.

C. Declarant also desires to protect and maintain the project as a prime mountain residential community of the highest quality and value to enhance and protect its desirability and attractiveness.

D. Declarant further desires to provide for the operation and maintenance of the Common Elements and Limited Common Elements and other related facilities serving the project.

E. Declarant has deemed it necessary and desirable, for the welfare of the Owners of the Property, to subject the Property to the covenants, restrictions, easements, charges, assessments and liens set forth below, which shall be burdens and benefits to the Declarant and the other Owners and their respective successors, heirs, executors, administrators, devisees, grantees or assigns.

F. Declarant has created an Association and delegates and assigns to the Association the power and duties of maintaining the administering the Common Elements and Limited Common Elements, and administering and enforcing the covenants and restrictions and the Association Rules and Regulations, and collecting and disbursing the assessments and charges created under this Declaration.

G. The definitions of the Common Interest Ownership Act (the "Act") and any Sections of the Act referenced herein are specifically adopted in this Declaration as is the **Exclusion for Small Communities set forth at C.R.S. 38-33.3-116 (under ten units.)** For purposes of this Declaration, the definition of "Townhome" shall be deemed the equivalent to the definition of "Condominium" as described in The Act. In addition, the definitions of the Frisco, Colorado, Municipal Code, that are pertinent, including Articles 157-8, 157-12 and 157-14, are specifically adopted in this Declaration.

ARTICLE I DECLARATION AND SUBMISSION

Section 1.1. Declarant declares that the Property shall be held, sold, and conveyed subject to the following covenants, restrictions and easements which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on all parties and heirs, successors, and assigns of parties having any right, title or interest in all or any part of the Property. The Recitals set forth above are specifically incorporated herein.

ARTICLE II NAME, DIVISION INTO UNITS

Section 2.1. Name. The name of this Project is **BACK COUNTRY CABINS**.

Section 2.2. Association. The name of the Association is Back Country Cabins Homeowners Association, Inc., which Declarant has caused to be incorporated as a non-profit corporation under the laws of the State of Colorado for the purpose of exercising the functions as herein set forth.

Section 2.3. Number of Units. The number of Units in this project is six (6) including one restricted unit, Unit C, which is restricted to Affordable Housing as defined by this Declaration or the Town of Frisco.

Section 2.4. Identification of Units and Appurtenances. The identification number of each Unit is shown on the Condominium Plat and Map for The Town of Frisco, recorded concurrently herewith in that real property records of Summit County, Colorado (the "Map") and they are provided a Letter designation including the letters, A, B, C, D, E, and F. The definition of a "Unit" shall include the land lying below the improvement and indicated on the Plat, any garage assigned to such Unit or dedicated to such Unit. Units "E" and "F" have attached Garages. Assigned parking spaces not enclosed are not part of a Unit. Units "A", "B", have two assigned parking spaces. Unit "C" and "D" have one assigned Parking space. Units "E" and "F" have one assigned parking space outside of the Garage. All Units have "front porches." The Front porches and appurtenant "open space" as designated on the Plat are Limited Common Areas and are to be maintained by the Owner of the appurtenant Unit. Units "C" and "D" are inside units and do not have attached decks. All other Units have attached decks, which are considered Limited Common Elements. Storage areas are situated on the South Side of the Project and are assigned, one to each Unit, as a Limited Common element. Any Storage area, may in the discretion of the Association be Reassigned upon 60 days advance Notice provided a substitute storage area is provided the Owner of such assigned storage area.

ARTICLE III DEFINITIONS

Section 3.1. DEFINITIONS. The following words when used in this Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:

"Act" means the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as it may be amended from time to time.

“Articles” means the Articles of Incorporation of Back Country Cabins Home Owners Association, Inc. on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.

“Assessments” means the Periodic Supplementary, Special, and Default Assessments levied pursuant to the Article named Assessments below.

“Association” means the Back Country Cabins Homeowners Association, Inc. a Colorado non-profit corporation, the Articles of Incorporation and Bylaws of which shall govern the administration of this project, the members of which shall be all the owners of the condominium units of this project, and the management of which shall be in the Executive Board of such Association, except as may be expressly provided herein or in the Articles of Incorporation and Bylaws thereof.

“Association Documents” means this Declaration, the Articles of Incorporation, and the Bylaws of the Association, and any procedures, rules, regulations or policies adopted under such documents by the Association.

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

“Common Elements” means the, unimproved land appurtenant to the Units as a whole, structural walls and utilities which are located within a Unit but serve other Units, any hot tub or gazebo, water and sewer lines, roofs or deck designated to be used by all owners on the Plat, driveways, and improvements contained in such building. The term “Common Elements” shall also include the Limited Common Elements, which are exclusively reserved for use by an Owner. “Common Elements” do not include a “Unit” or the real estate (land) lying beneath a “Unit”.

“Common Expenses” means all expenses expressly declared to be common expenses by this Declaration or the Bylaws of the Association including (i) all expenses of administering, servicing, managing, maintaining, repairing or replacing common elements; (ii) all expenses for heat, electric, water, sewer, trash removal, snow removal from the Common Elements and cable TV; (iii) the cost of supplying trash and

snow removal; (iv) all expenses of maintaining, repairing, or replacing any part of the water or sewer utility lines and facilities serving more than one Unit or located on the Common Elements; (v) insurance premiums for insurance carried under this Declaration. Section 202 of the Act will apply to further define the boundaries of Units and Common Elements.

"Condominium Map or Townhome Condominium Map" shall mean and refer to the Townhome Condominium Map or Plat for Back Country Cabins, recorded or to be recorded in the records of the office of the Clerk and Recorder of the County of Summit, Colorado.

"Townhome Condominium Unit, "Condominium Unit," or "Unit" shall mean and refer to the fee simple interest in and to an individual air space unit called a "Townhome", the real estate or "Land" lying beneath the Unit, together with the exclusive use of the Limited Common Elements allocated thereto, all fixtures and improvements therein contained, and together with the membership in the Association as provided in that Article entitled "Membership & Voting Rights" below. Interior walls, floors or ceilings are designated as boundaries of a Unit. All decking, plywood, plaster, wallboard, paneling, tiles, wallpaper, painting, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Unit; all other portions of the exterior walls, floors and ceilings are part of the Common Elements. Exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are limited Common Elements allocated exclusively to that Unit. Enclosed parking garages assigned to a particular Unit shall be deemed to be part of the Condominium Unit. Assigned parking spaces are not part of a Unit.

"Declarant" means Back Country Cabins, LLC, P.O. Box 4272, Frisco, CO 80443 ("Declarant"), a Colorado Limited Liability Company, and its successors and assigns.

"Declaration" means and refers to this Condominium Declaration of Back Country Cabins, a planned community in the Town of Frisco, Summit County, Colorado.

"Executive Board" means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Property and all improvements on the Property.

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“First Mortgage” means any Deed of Trust or Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

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

“Limited Common Elements” means a portion of the Common Elements allocated by this Declaration or the Plat Map for the exclusive use of one or more Owners but fewer than all the Owners; the Limited Common Elements are depicted on the Plat Map and described in this Declaration.

“Manager” shall mean a person or entity engaged by the Association to perform certain duties, powers or functions of the Association, as the Executive Board may authorize from time to time.

“Member” means every person or entity who holds membership in the Association.

“Mortgage” means any mortgage, deed of trust or other document pledging any Unit or interest therein as security for payment of a debt or obligation.

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

“Owner” means the owner of record, whether one or more persons or entities, of fee simple title to any Unit, and **“Owner”** also includes the purchaser under a contract for deed covering a Unit of this Project, but excludes those having such interest in a Unit merely as security for the performance of an obligation, including a Mortgagee, unless and until such person has acquired fee simple title to the Unit pursuant to foreclosure or other proceedings.

“Project” or **“The Project”** shall mean the planned community created by this Declaration, consisting of the Property and any other improvements constructed on the Property and as shown on the Plat Map.

“Property” refers to Lots 17, 18, and 19, Block 2, King Solomon Addition to Frisco Townsite, Town of Frisco, Summit County, Colorado, 80443 as more fully depicted in the Plat attached hereto as Exhibit A Town of Frisco, County of Summit, State of Colorado.

“Successor Declarant” means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record in the office of the Clerk and Recorder of Summit County, Colorado, designating such part as a Successor Declarant. Upon such recording, Declarant’s rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

“Townhome” means that entity defined by the Frisco, Colorado, Municipal Code at Article 157-8 which is equivalent to the term “Unit”.

ARTICLE IV MEMBERSHIP & VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 4.1. The Association. Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 4.2. Transfer of Membership. An Owner shall not transfer, pledge or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Unit and then only to the purchaser or Mortgagee of his Unit.

Section 4.3. Class of Membership. The Association shall have one (1) class of voting membership. Members shall be all Owners who, except as otherwise provided for in this Declaration, shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised by one person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any Owner of a Unit which is leased may assign his voting right to the tenant; provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the

tenant exercises the voting right.

Section 4.4. Period of Declarant's Control. Declarant and any successor of Declarant who takes title to all or part of the Property for the purpose of development and sale of the Property and who is designated as Successor Declarant in a recorded instrument executed by Declarant shall have exclusive power to appoint and remove members of the Executive Board and Officers of the Association. This period of Declarant control shall terminate no later than sixty (60) days after conveyance of four of the six Units in the Project to Owners other than Declarant. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant control but, in that event, the Declarant may require for the duration of the period of Declarant control, that specified actions of the Association or the Executive Board, as described in a recorded instrument by the Declarant, be approved by the Declarant before they become effective. The Executive Board Members selected by Declarant need not be Members of the Association.

Section 4.5. Compliance with Association Documents. Owner shall abide by and benefit from each provision, covenant, condition, restriction and easement contained in the Association Documents. The obligations, burdens and benefits of membership in the Association concern the land and shall be covenants running with each Unit for the benefit of all other Units.

Section 4.6. Books and Records. The Association shall make available for inspection, upon advance request, during normal business hours or under other reasonable circumstances, to Owners and to Mortgagees, current copies of the Association Documents and the books, records, and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials.

Section 4.7. Manager. The Association may employ or contract for the services of a manager to whom the Executive Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Back Country Cabins Homeowners Association, Inc. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Executive Board, The Executive Board shall not be liable for any omission or improper exercise by a Manager of any duty, power, or function so delegated by written instrument executed by or on behalf of the Executive Board.

Section 4.8. Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association Documents or reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Association Documents, and every other duty or obligation implied by the express provisions of the Association Documents or necessary to reasonably satisfy any such duty or obligation.

Section 4.9. Powers of the Executive Board. The Executive Board shall have the power to take the following actions:

Adopt and publish rules and regulations governing the use of the Common Elements and Limited Common Elements and governing the personal conduct of the Members and their guests on the Common Elements that are not in conflict with the Declaration; the Association may establish penalties, including, without limitation, the imposition of fines, for the infraction of such rules and regulations;

Suspend the voting rights of a Member during any period in which such Member is in default on payment of any Assessment levied by the Association, as provided in that Article named "Assessments." Such rights may also be suspended after notice and hearing for a period up to ninety (90) days for infraction of published rules and regulations, unless such infraction is ongoing, in which case the rights may be suspended during the period of the infraction and for up to ninety (90) days thereafter, and:

Exercise for the Association all powers, duties, and authority vested in or delegated to the Executive Board and not reserved to the Members or Declarant by other provisions of this Declaration or the Articles or Bylaws of the Association or as provided by the Act.

Section 4.10. Conveyance of Common Elements. In consideration for the obligations of maintenance and repair of the Association as set forth in this Declaration, the Declarant sells and conveys the Common Elements to the Association, reserving to the Declarant all Special Declarant rights.

ARTICLE V
MAINTENANCE OF UNITS AND COMMON ELEMENTS

Section 5.1. Maintenance of Common Elements. Except as otherwise provided in this Declaration, the Association (or its duly designated agent/manager), shall maintain the Common Elements and the Association's property in good order and condition and shall otherwise manage and operate the Common Elements and such property as it deems necessary or appropriate. In this regard, the association may:

Construct, modify, add to, replace or renovate any improvements that are located on or constitute a part of any Common Element;

Plant and replace trees, shrubs and other vegetation on any Common Element;

Place, maintain and replace signs upon any Common Element;

Maintain all exterior elements of the project including the Roof, Siding, Railings, Decks, Sidewalks, Front porches, Garage Doors, and all structural elements of the Project.

Adopt and enforce Rules and Regulations regulating the use and Common Elements;

Impose and collect fees for the use of any Common Element: and

Take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the Common Elements.

Section 5.2. Maintenance of Units.

Each Owner, at such Owner's sole cost and expense, shall maintain the interior of his or her Unit (including all fixtures therein) and the Limited Common Element deck and open space appurtenant to such Unit, in good order and repair, including cleaning and removal of snow from any deck attached to such Unit, except in such cases (e.g., paint on external doors and windows) where for reasons of uniformity or structural integrity the Association deems it necessary or appropriate to perform such maintenance itself.

No owner shall construct any structure or improvement, or make or suffer any structural or design change (including a color scheme change) either permanent or temporary and of any type or nature whatsoever to the exterior of a Unit or open space appurtenant to that Unit or construction any addition or

improvement on a Unit, without first obtaining the prior written consent thereto from the Executive Board, which shall have sole architectural control and design control regarding the external appearance of the exterior of the Project and appearance of the Common Elements and in regard to structural changes, the prior written consent of the Town of Frisco. The Executive Board shall adopt Rules and Regulations to implement Architectural standards and procedures and publish the same to the Owners no later than One Year after the last Unit is sold. No change in any exterior feature of the Project may be made by any Owner without the written consent of the Executive Board, which approval may be withheld for any reason that is not arbitrary, capricious, or discriminatory. Owners may install fences in their appurtenant Limited Common Area yard space, provided, however, the only approved material is Cedar split rail, (2) rail with or without wire mesh, and stained to a natural cedar color. Any violation of an Architectural standard or procedure or violation of a restriction on change or construction, may be enforced by a proceeding at law in any appropriate venue. The Association shall be entitled to recover its reasonable attorneys fees for enforcement action in the event it prevails in such action.

In the event that a Unit is not properly maintained by an Owner, then the Association, after ten (10) days prior written notice mailed by First Class Mail, delivered in person or by electronic means to the Owner and with the approval of the Executive Board, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements thereon to a condition of good order and repair. All un-reimbursed costs shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with the Article named Assessments below. Such lien shall include a provision for reasonable attorneys fees incurred by the Association in enforcing the lien.

Section 5.3. Limited Common Expense Allocation. Any expense associated with the repair or replacement of a Limited Common Element which is an appurtenance to all Units in the Project (e.g. exterior windows and doors) shall be assessed as a Common Expense. Any expense associated with the maintenance, repair or replacement of a Limited Common Element, which is not provided to all Units shall be assessed equally against the Units for which the expense s incurred.

Section 5.4. Allocation of Specified Common Elements. The Executive Board may designate parts of the Common Elements from time to time for use by less than all of the Unit Owners or by non owners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be

established by the Executive Board. Any such designation by the Executive Board shall not be deemed a sale or disposition of such portions of the Common Elements.

Section 5.5 Maintenance Contract. The Association or Executive Board may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions, or duties of the Association to maintain the Common Elements. The employed individual or maintenance company shall have the authority to make expenditures upon prior approval and direction of the Executive Board. The Executive Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power or function so delegated by written instrument executed by or on behalf of the Executive Board.

ARTICLE VI
PROPERTY RIGHTS OF OWNERS
AND RESERVATIONS BY DECLARANT

6.1. Owner's Easement of Enjoyment. Every Owner has a right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to every Unit, subject to the provisions contained herein.

6.2. Recorded Easements. The Property shall be subject to all easements as shown on the Map and to any other easements of record or in use as of the date of recordation of this Declaration as listed in Exhibit A, including the Declaration of Covenants, Conditions and Restrictions of Described on the Plat attached as Exhibit A or in any deed to any Owner. In addition, the Property is subject to those easements set forth in this Article.

6.3. Utility Easements. There is hereby created a general easement upon, across, over, in and under the Common Elements for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, including, but not limited to, gas, telephone, electrical, and cable communications systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such services to install and maintain necessary equipment, wires, circuits and conduits under the Property. Such utilities may temporarily be installed above ground during construction, if approved by Declarant. Any person or utility company disturbing the surface of the Property during: installation, maintenance or repair of facilities within an easement will restore the surface to its

original grade and revegetate the surface to its preexisting condition except that trees within tile easement need not be restored.

6.4. Easement for Ingress and Egress. Declarant hereby grants as an appurtenance of each Unit a non-exclusive easement of ingress and egress across the Common Elements as shown on any recorded Map of the Property to each Unit to assure access from a public road to each Unit. The specific means of ingress and egress shall be subject to change as Declarant shall from time to time deem necessary so long as a reasonable means of access is always provided.

6.5. General Maintenance Easement. An easement is hereby reserved to Declarant, and granted to the Association, and any member of the Executive Board, or the Manager, and their respective officers, agents, employees, and assigns, upon, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents including the right to enter upon any Unit to accomplish the foregoing including any work required by any applicable warranty.

6.6. Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress, over, in, upon, under and across the Common Elements, together with the right to store materials on the Common Elements, to build and maintain temporary walls, and to make such other use of the Common Elements as may be reasonably necessary or incident to any construction or warranty work on the Units or improvements on the Property provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to the Project by the Owners.

Section 6.7. Special Declarant Rights. Declaration reserves the right to perform the acts and exercise the rights hereinafter specified (the "Special Declarant Rights"). Declarant's Special Declarant Rights include the following:

Completion of Improvements. The right to complete improvements on the Property.

Sales Management and Marketing. The right to conduct sales and marketing efforts on the Project including the installation of signs advertising the Project and models for sale.

Construction Easements. The right to use easements through the Common Elements for the purpose of making improvements within the Project.

Control of association and Executive Board. The right to appoint or remove any Officer of the Association or any Executive Board member so long as Five or fewer Units remain unsold to Owners.

Section 6.8. Foreclosure; Redemption Rights. Each Owner grants to Declarant a lien in the amount of \$10.00 with a priority junior only to the Assessment lien granted to the Association in that Article entitled Assessments and junior to taxes and any First Mortgage to which the Association lien is also junior. Declarant's lien will permit Declarant to exercise redemption rights in the event of foreclosure by a senior lienor as provided in C.R.S. §38-38-303. Declarant shall have the right to assign such lien to any third party or Owner in its sole discretion in the event of foreclosure of an affected Unit.

Section 6.9. Additional Common Interest Ownership Section Adoption. Declarant adopts all sections of the Act referenced in C.R.S. §38-33.3-117 to supplement this Declaration and apply to this Project.

ARTICLE VII INSURANCE AND FIDELITY BONDS

Section 7.1. Authority to Purchase. All insurance policies relating to the Improvements, Common Elements, and Limited Common Elements shall be purchased by the Association or its duly authorized agent. The Executive Board, the Manager, and Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are available only at demonstrably unreasonable cost. In such event, the Executive Board shall cause notice of such fact to be delivered to all Owners. Owners are responsible to acquire their own contents insurance in standard forms including sewer backup insurance.

Section 7.2.1 Notice to Owners.

The Executive Board shall promptly furnish to each Owner written notice of the procurement of, or a subsequent change in, or termination of, insurance coverages obtained on behalf of the Association under this Article.

Section 7.2.1 Owners Obligation to Purchase General Liability Insurance and Give Notice to Association. On request of the Association or its Manager, Owners shall supply Association with the Declaration Page of any Insurance Policy issued to an Owner for its liability, contents and any sewer backup protection.

Section 7.3. General Insurance Provision. All such insurance coverage obtained by the Executive Board shall be governed by the following provisions:

A. As long as Declarant owns any Unit on which a certificate of occupancy has been issued; Declarant shall be protected by all such policies as an Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such coverage be deemed to protect Declarant for (or waive any rights with respect to) claims.

B. The deductible amount, if any, on any insurance policy purchased by the Executive Board may be treated as a Common Expense payable from Annual Assessment or Special Assessments, or as an item to be paid from 'working capital reserves established by the Executive Board; or alternatively, the Executive Board may treat the expense as an assessment against an Owner whose Unit is specifically affected by the damage or whose negligence or willful act resulted in damage. The Association may enforce payment of any amount due from an individual Owner toward the deductible in accordance with that Article entitled Assessments, Sections entitled Special Assessments and Default Assessments below.

C. The insurance coverage described in this Article shall be considered minimum coverage and the Association shall be obligated to secure and maintain such other and/or additional coverage as may be required by law or C.R.S. §3 8-33 .3-313 of the Act, which Section 313 is also applicable to supplement the provisions of this Article.

D. Except as otherwise provided in this Declaration, insurance premiums for the insurance coverage provided by the Executive Board pursuant to this Article shall be a Common Expense to be paid by regular Assessments levied by the Association.

Section 7.4. Physical Damage Insurance on Improvements. The Association shall obtain and maintain in full force and effect physical damage insurance on all

Condominium Units and all insurable Common Elements improvements within the Project, in an amount equal to full replacement value (i.e., 100% of the current "replacement cost" exclusive of land, foundation, excavation, and other items normally excluded from coverage). Such insurance shall afford protection against at least the following:

A. Loss of damage caused by fire and other hazards covered by the standard extended endorsement, and caused by debris removal, demotion, vandalism, malicious mischief, windstorm, and water damage;

B. Such other risks as shall customarily be covered with respect to projects similar in construction, location, and use.

Section 7.5. Provisions Common to Physical Damage Insurance.

A. In contracting for the policy or policies of insurance obtained pursuant to that Section entitled Physical Damage Insurance on Improvements above, the Executive Board shall make reasonable efforts to secure coverage which provides the following:

A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Declaration not to do so.

The following endorsements (or equivalent):

"cost of demolition;"

"contingent liability from operation of building laws or codes;"

"increased cost of construction;" and

"agreed amount" or elimination of co-insurance clause.

Periodic appraisals to determine replacement cost, as more fully explained in Section 7.5.B below.

A provision that no policy may be canceled, invalidated, or suspended on account of the conduct of any Owner (including such Owner's tenants, servants, agents, invitees, and guests), any member of the Executive Board, officer, or employee of the Association or the Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be covered by the Association, the Manager, any Owner, or Mortgagee.

B. Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Executive Board may deem advisable, the Executive Board shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then replacement cost of the property (exclusive of the land, excavations, foundations and other items carried by the association, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Article.

C. A duplicate original of the policy of physical damage insurance, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder, a Declaration Page, together with proof of payment of premiums and any notice issued under Section 7.5.A.(iv) above, shall be delivered by the Association or its Insurer to any Mortgagee requesting the same, at least thirty (30) days prior to expiration of the then current policy. The Mortgagee on any Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit. The Association and its Insurer shall not be responsible to monitor the names of any Mortgagee and shall only proceed based upon prior written notice from the Owner or the Mortgagee.

Section 7.6. Liability Insurance.

A. The Executive Board shall obtain and maintain in full force and effect comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage insurance with such limits as the Executive Board may from time to time determine insuring each member of the Executive Board, the Manager, each Owner, and the employees of the Association against any liability to the public or to the Owners (and their guests, invitees, tenants, agents and employees) arising out of or incident to the ownership or use of the Common Elements. Such comprehensive policy of public liability insurance shall also cover contractual liability if available, liability for non-owned and hired automobiles, and if applicable, bailee's liability, garage keeper's liability, host liquor liability employer's liability insurance, and such other risks as shall customarily be covered with respect to projects similar to this project in construction, location, and use.

B. The Executive Board shall review such limits once each year, but in no event shall such insurance be less than \$1,000,000.00 covering all claims for bodily injury or property damage arising out of one occurrence. In the event the Manager of the Association acquires insurance for its managed facilities and

projects, the Executive Board may authorize insurance in such pool consistent with the insurance pool coverage. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

Section 7.7. Fidelity Insurance. To the extent obtainable at reasonable cost, fidelity bonds may be obtained by the Association to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association. In addition, if responsibility for handling funds is delegated to a Manager, such coverage may be required for the Manager and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Association as an obligee and shall be written in an amount equal to at least 50% of the estimated annual operating expenses of the Association, including reserves. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions.

Section 7.8. Provisions Common to Physical Damage Insurance, Liability Insurance, and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of this Article shall be subject to the following provisions and limitations:

A. In no event shall the insurance coverage obtained and maintained pursuant to this Article be brought into contribution with insurance purchased by the Owners or their Mortgagees;

B. The policies shall provide that coverage shall not be prejudiced by: any act or neglect of any Owner (including an Owner's tenants, servants, agents, invitees, and guests) when such act or neglect is not within the control of the Association; or any act or neglect or failure of the Association to comply with any warranty or condition with regard to any portion of the Property over which the Association has no control;

C. The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be canceled or substantially modified or reduced (including cancellation for non-payment of premium) without at least thirty (30) days' written notice to any First Mortgage of record against any Unit, and all insureds named in the policies:

D. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Executive Board, the Association, the Manager, and any Owner or their respective agents, employees, or tenants; and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

E. All policies shall be written with a company licensed to do business in Colorado and holding a rating of B/VI or better in the financial category as established by A.M. Best Company, Inc., if reasonably available, or, if not reasonably available, the most nearly equivalent rating.

Section 7.9. Personal Liability Insurance of Officers and Directors. To the extent obtainable at reasonable cost, appropriate personal liability insurance shall be maintained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors on behalf of the Association.

Section 7.10. Worker's Compensation Insurance. The Executive Board shall obtain worker's compensation or similar insurance with respect to its employees, if amounts and forms as may now or hereafter be required by law.

Section 7.11. Other Insurance. The Executive Board may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 7.12. Insurance Obtained by Owners. Each Owner may obtain physical damage and liability insurance for such Owner's benefit, at such Owner's expense, covering personal property and personal liability (except to the extent any such unit is encumbered by an easement conveyed to the Association as Common Elements), provided, however, Owners shall acquire standard liability insurance coverage to provide coverage for any assessment for the deductible liability of the Association in the event of any casualty caused by the act of the Owner or the owner's invitees. Contents and sewer backup coverage are optional coverages that an Owner may acquire in the Owner's sole discretion. In addition, an Owner may obtain such other and additional insurance coverage on the Unit as such Owner in the Owner's sole discretion shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by the Owner shall operate to decrease the amount which the Executive Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage

obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners including Declarant, should Declarant be the Owner of any Unit. No Owner shall obtain separate insurance policies on the Common Elements.

The Executive Board may require an Owner who purchases insurance coverage for the Owner's Unit (other than coverage for the Owner's personal property) to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

ARTICLE VIII ASSESSMENTS

Section 8.1. Obligation. Owners, by accepting a deed for a Unit, are deemed to covenant to pay the Association (1) the Periodic Assessments imposed by the Executive Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Elements and to perform the functions of the Association; (2) Special Assessment for capital improvements and other purposes as stated in this Declaration, if permitted by law; and (3) Default Assessments which may be assessed against a Unit for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

Section 8.2. Purpose of Assessment. The Assessments shall be used exclusively to promote the health, safety and welfare of the Owners and occupants of me Property and for the improvement and maintenance of the Common Elements all as more fully set forth in this Declaration and on the Map.

Section 8.3. Budget. The Executive Board shall annually, in the First Quarter of the Year, adopt a budget anticipating the Common Expenses to be incurred in the operation and maintenance of the Project. The Executive Board shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all the Owners.

Section 8.4. Reserves. The Association or Declarant shall require each buyer of a Unit to make a non-refundable payment to the Association in an amount not to exceed Three Months of the current cumulative Monthly Periodic Assessments for

the Unit, which sum shall be held, without interest, by the Association and deposited to the Reserve Fund. The Reserve Fund shall be collected and transferred to the Association at the time of closing of the sale of each Unit, as aforesaid, and shall be maintained for the use and benefit of the Association including any unbudgeted operational expense or capital cost. Such payment shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of a Unit, an Owner shall not be entitled to a credit from the transferee for any unused portion of the Reserve Fund.

Section 8.5. Periodic Assessments. Periodic Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Executive Board shall from time to time determine to be paid by all of the Owners, subject to that Section named Budget above. Periodic Assessments shall be payable on a prorated basis each calendar quarter in advance and shall be due on the first day of each quarter, or such other periods as the Executive Board may determine. The omission shall be payable on a prorated basis each calendar quarter in advance and shall be due on the first day of each quarter, or such other periods as the Executive Board may determine. The omission or failure of the Association to fix the periodic Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Periodic Assessments in excess of the actual expenses incurred in any fiscal year.

Section 8.6. Apportionment of Periodic Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses, which shall be divided equally among the Owners based upon a pro-ration of each Unit's area as depicted upon the Plat, which is Exhibit A. Any extraordinary maintenance, repair or restoration work on, or Common Expense benefiting fewer than all of the Units or Limited Common Elements shall be borne by the Owners of those affected Units only. Any extraordinary insurance cost incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guests, tenants or invitees) shall be borne by that Owner. Any Common Expense caused by the misconduct of any Owner shall be assessed solely against such Owner's Unit.

Section 8.7. Supplementary Assessments. In the event the Executive Board shall determine at any time or from time to time that the amount of the annual assessments is not adequate to pay for the costs and expenses of fulfilling the

Association's obligations hereunder, one or more supplementary assessments may be made for the purpose of providing the additional funds required. To determine the amount required to be raised by each supplementary assessment, the Executive Board shall revise the budget, a summary of which shall be furnished to each Owner and shall set a date for a meeting of the Owners to consider the ratification of such budget. Upon request, the Executive Board will deliver a summary of the revised budget to any Mortgagee. Based on such revised budget, the Executive Board may make a supplementary assessment for such fiscal year against each Unit.

Section 8.8. Special Assessments. In addition to the Periodic Assessments authorized by this Article, the Association may levy in any fiscal year one or more Special Assessments payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements or for any other expense incurred or to be provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners as provided in this Article, subject to the requirements that an extraordinary maintenance, repair or restoration work on fewer than all of the Units shall be borne by the Owners of those affected Units only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guest, tenants or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owner(s), and no payment shall be due less than thirty (30) days after such notice shall have been given.

Section 8.9. Default Assessment. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least 30 days prior to that due date.

Section 8.10. Effect of Nonpayment; Assessment Lien. Any Assessment installment, whether pertaining to any Periodic, Special, or Default Assessment, which is not paid within thirty (30) days after its due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

A. Assess a late charge for each delinquency in such amount as the Association deems appropriate.

B. Assess an interest charge from the date of delinquency at the yearly rate of four (4) points above the prime rate charged by the Association's bank, or such other rate as the Executive Board may establish, not to exceed twenty-one percent (21%) per annum;

C. Suspend the voting rights of the Owner during any period of delinquency;

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

E. Disconnect any utility services to the Unit, which are paid as a Common Expense.

F. Bring an action at law against any Owner personally obligated to pay the delinquent assessments; and

G. File a statement of lien with respect to the Unit and proceed with foreclosure as set forth below.

Assessments chargeable to any Unit automatically constitute a lien on such Unit, including any improvements on the Unit regardless of whether or not any written notice of such lien is filed for record. This lien is ongoing and never discharged until the Association files with any authority or new proposed owner or Mortgagee, a waiver of such lien. To evidence lien created under this Section, the Association may, but is not required to, prepare a written notice setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued penalty on the indebtedness, (iv) the name of the Owner of the Unit, and a description of the Unit. The Notice shall be signed and acknowledged by the President or a Vice-President of the Association or by the Manager, and the Association shall serve the notice upon the Owner by mail to the address of the Unit or to such other address as

the Association may have in its files for such Owner. At least ten (10) days after the Association mails the Owner such a notice, the Association may record the same in the office of the Clerk of Recorder of Summit County, Colorado. Such lien for Assessments shall attach from the due date of the Assessment. Thirty (30) days following the date the Association mails the notice, the Association may institute foreclosure proceedings against the defaulting Owner' Unit in the manner for foreclosing a mortgage on real property under Colorado law. In the events of any such foreclosure, the Owner shall be liable for the amount of unpaid assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing this notice of the claim and lien, and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. In the event of any bankruptcy of any owner, such lien shall be deemed a secured interest in the Unit and any owner filing for bankruptcy shall list the Association as a secured creditor and give the Association notice of such bankruptcy in accordance with the bankruptcy laws in effect at the time.

Section 8.11. Personal Obligation. The amount of any Assessment chargeable against any Unit shall be personal and individual debt of the Owner of same at the date the Assessment is made. No Owner may exempt himself from liability for the Assessment by abandonment of his Unit or by waiver of the use of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, including all reasonable attorney's fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 8.12. Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such Assessments, all successors to the fee simple title of a Unit, except as provided in the Section named Subordination of Lien below, shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses and attorney's fees against such Unit without prejudice to such successor's right to recover from any prior Owner any amounts paid by such successor. This liability of a successor, however, shall not be personal and shall terminate upon termination of such successor's fee simple interest in the Unit. In addition, such successor shall be entitled to rely on the statement of status of Assessments by or on behalf of the Association asset forth below.

Section 8.13. Subordination of Lien. The lien of the Assessments provided for in this Declaration shall be subordinate to (i) the lien of real estate taxes and special governmental assessments, (ii) liens and encumbrances recorded prior to the recordation of the Declaration, and (iii) liens for all sums unpaid for a first mortgage of record, recorded before the date on which the assessment sought to be enforced became delinquent, except that the Association claims the priority for 6 months' assessment lien as granted in the Act. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Colorado. Seller's transfer of any Unit shall not affect the Association's lien except that sale or transfer of any Unit pursuant to foreclosure of any first mortgage, or any proceeding in lieu thereof, or cancellation or forfeiture shall only extinguish the Association's liens as provided in the Act. The amount of such extinguished lien may be reallocated and asserted to all Units as a Common Expense at the direction of the Executive Board. No sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the Unit from the lien, any Assessments made after the sale or transfer.

Section 8.14. Notice to Mortgagee. The Association may report to any Mortgagee any unpaid assessments remaining unpaid for longer than sixty (60) days after the same shall have become due, if such Mortgagee first shall have furnished to the Association written notice of the unpaid Assessments. Any Mortgagee holding a lien on a Unit remaining any unpaid Assessment payable with respect to such Unit, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as the lien of the Mortgagee. In the event of a foreclosure by a Mortgagee, the mortgage holder have a right of possession of the Unit shall remain responsible for all assessments pertaining to the Unit including assessments prior to the foreclosure as provided in Section 8.12.

Section 8.15. Statement of Status of Assessment Payments. The Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent and Manager of record, a statement setting forth the amount of unpaid assessments currently levied against such Owner's Unit. If no statement is furnished to the Owner or holder of a security interest or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, within 30 days of receipt of such Request, the Association

shall have no right to assert a priority lien upon the Unit for unpaid assessments which were due as of the date of the request.

ARTICLE IX DAMAGE OR DESTRUCTION

Section 9.1. The Role of the Executive Board. Except as provided in that Section named Decision Not to Rebuild Common Elements, in the event of damage to or destruction of all or part of any Common Elements improvement, or other property covered by insurance written in the Association's name under that Article named Insurance: the Executive Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to that Article named "Insurance" may be referred to as "Association-Insured Property").

Section 9.2. Estimate of Damages or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Executive Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the cost of repair and reconstruction. "Repair and Reconstruction" as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Executive Board determines to be necessary.

Section 9.3. Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 9.4. Funds for Repair and Reconstruction. Proceeds received by the Association from any hazard insurance carried by the Association shall be used to repair replace and reconstruct the Association-Insured Property, if said proceeds are insufficient to pay the estimated or actual cost of such repair, replacement or reconstruction, or if upon completion of such work the insurance proceeds for the

payment of such work are insufficient, the Association may, pursuant to that Article named Assessments, Section named Supplementary Assessments, but subject to applicable law, levy, assess and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement or reconstruction.

Section 9.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments, If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in equal shares per Unit, first to the Mortgagees and then to the Owners, as their interests appear.

Section 9.6. Decision Not to Rebuild Common Elements. If Owners representing at least two-thirds (2/3) of the total allocated votes in the Association and two-thirds (2/3) of the First Mortgagees (based on one (1) vote for each Mortgage which encumbers a Unit) and all directly adversely affected Owners agree in writing not to repair and reconstruct improvements within the Common Elements and if no alternative improvements are authorized, then the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with applicable law.

ARTICLE X CONDEMNATION

Section 10.1. Rights of Owners. Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Elements is conveyed in lieu of a taking under threat of condemnation by the Executive Board acting as attorney-in-fact for all Owners under instruction from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice

of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 10.2. Partial Condemnation, Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for those Owners for whom use of the Common Elements was conveyed, and the award shall be disbursed as follows: If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners who represent at least two-thirds (2/3) of the votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Executive Board and the Architectural Review Committee. If such improvements are to be repaired or restored, the provisions in that Article named Damage or Destruction above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such replacement is completed, then such award or net funds shall be distributed in equal shares per Unit among the Owners, first to the Mortgagees, if any, and then to the Owners, as their interests appear.

Section 10.3. Complete Condemnation. If all of the Property is taken, condemned or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in that Section named Disbursement of Fund for Repair and Reconstruction above.

ARTICLE XI DURATION OF COVENANTS AND AMENDMENT

Section 11.1. Covenants Binding. Each provision of this Declaration and a promise, covenant and undertaking to comply with each such provision (i) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any of the Property is granted, devised or conveyed; (ii) shall by virtue of acceptance of any right, title or interest in any of the Property by an Owner be deemed accepted, ratified, adopted and declared as a personal covenant of such

Owner; and shall be binding on such Owner or his or her respective heir, personal representatives, successors or assigns, with and for the benefit of the Declarant and all Owners within the Project; (iii) shall be deemed a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to all of such Owner's right, title and interest to any of the Property, which lien shall be deemed a lien in favor of the Declarant, as Its Interest may appear, and all Owners within the Subdivision: and (iv) shall run with the land.

Section 11.2. Amendment.

A. This Declaration, or any provision of it, may be amended at any time by an instrument signed by Owners holding not less than four of the six votes possible to be cast under this Declaration. Any abstention from the voting process shall be deemed a vote for purposes of this requirement. Any validly adopted amendment must be executed in writing by the president of the Association and recorded with the Clerk and Recorder of Summit County, Colorado, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying that signatures of a sufficient number of Owners approving the amendment are on file in the office of the Association.

B. Notwithstanding anything to the contrary contained in this Declaration:

- (i) The Declarant hereby reserves and is granted the right and power to record technical amendments to this Declaration, the Articles of Incorporation and Bylaws of the Association at any time for the purpose of correcting spelling, grammar, dates, typographical errors or as may otherwise be necessary to clarify the meaning of any provision of any of such documents without the consent of any of the Owners or First Mortgagees.
- (ii) The Declarant hereby reserves and is granted the right and power to record special amendments to the Declaration, the Articles of Incorporation and Bylaws of the Association at any time in order to comply with any requirement of any of the Agencies or to induce any of the Agencies to make, purchase, sell, insure or guarantee First Mortgages, to comply with the requirements and powers set forth in the Act, or to confirm with

any Amendments, modifications, revisions or revocations of the Town of Frisco Development Code, without the consent of the Owners or any First Mortgagees.

Section 11.3. When Modifications Permitted. Notwithstanding the provisions of that Section named Amendment above or that Section named Revocation below, no termination, extension, modification, or amendment of this Declaration made prior to the termination of Declarant's control shall be effective unless the prior written approval of Declarant is first obtained. Any provision that benefits the Declarant may not be amended without the express consent of the Declarant regardless of the termination of the Declarant's control.

Section 11.4. Revocation. This Declaration shall not be revoked, except as provided in that Article named Condemnation regarding total condemnation without the consent of all of the Owners evidenced by a written instrument duly recorded.

ARTICLE XII INITIAL PROTECTIVE COVENANTS

Section 12.1. Plan of Development: Applicability: Effect. Declarant has established a general plan of development for the Property in order to protect the Owners collective interests and the aesthetics and environment within the Project. In furtherance of that general plan, this Declaration and the Association's Documents establish affirmative and negative Covenants, easements, and restrictions on the Property, subject to certain rights vested in the Executive Board and the Owners to enable them to respond to changes in circumstances, conditions, need and desires within the Project.

Section 12.2. Authority to Promulgate Use Restrictions. Initial use restrictions applicable to the Project are set forth below. Amendment of these use restrictions requires a vote of four of the six Units in the Association. Provided, however, in accordance with the duty to exercise reasonable business judgment, the Executive Board, with the consent of the Declarant during the period of Declarant Control, may adopt Rules and Regulations which modify, limit, create exceptions to, or expand the initial use restrictions set forth in this Section.

Section 12.3. Owners Acknowledgment. All Owners and related users of Units are given notice that use of their Unit is limited by provisions of each of the Association Documents as they may be amended, expanded and otherwise

modified from time to time. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of hi or her Unit can be affected by this provision and that all restrictions upon the use and occupancy or a Unit may change from time to time.

Section 2.4. Rights of Owners. The Executive Board shall not adopt any Rule or Regulation in violation of the following provisions:

A. Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.

B. Speech. The rights of Owners to display political signs and symbols in or on their Units of the kinds normally displayed in or outside of Units located in a residential project shall not be abridged, except that the association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and related users.

C. Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside or outside of their Units of the kind normally displayed in units located in a residential project shall not be abridged, except that the Association may adopt reasonable time, place, and limited restrictions for the purpose of minimizing damage or disturbance to other Owners and occupants.

D. Activities Within Units. No rule shall interfere with the activities carried on within the confines of a Unit, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units, or that create an unreasonable source of annoyance. With respect to Garages that are appurtenant to a Unit, such garages may be used for storage of vehicles, bicycles, skis, snowboards and associated Equipment. The Association may, by Rule or Regulation, define reasonable uses of Garages that increase use permissions beyond the foregoing.

E. Pets. The Association may adopt reasonable Rules and Regulations designed to minimize damage and disturbance to other Owners and occupants, including Rules and Regulations requiring damage deposits, waste removal, leash controls, noise controls, occupancy limits, and fair share use of the Common

Elements for the Owners and Invitees. Notwithstanding the foregoing, Renters and Lessees may not house pets in an Owner's Unit. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of Owners, guests or invitees or from requiring abatement of any nuisance or unreasonable source of annoyance in the Executive Board's sole discretion.

F. Reasonable Rights to Develop. No Rule by the Association or Executive Board shall unreasonably impede the Declarant's right to develop in accordance with the Property maps and this Declaration.

G. Abridging Existing Rights. If any Rule would otherwise require Owners or related users to dispose of personal property which they owned at the time they acquired their interest in the Unit and such ownership was in compliance with all Rules and Regulations in force at that time, such rule shall not apply to any such Owners without their written consent. However, all subsequent Owners and related users of that Unit shall comply with such rule.

Section 12.5. Initial Use Restrictions. The following activities are prohibited within the Project unless expressly authorized (and in such cases, subject to such conditions as may be imposed) by the Executive Board:

A. Subdivision. Subdivision of a Unit into two or more Units, or changing boundary limits of any Unit;

B. Leases. The term "lease", as used herein, shall include any agreement for the leasing or rental of a Unit and shall specifically include, without limitation, short term or month to month rental. Owners shall have the right to lease their Units only under The following conditions:

i) All leases for periods more than 31 days shall be in writing. Rental arrangements for less than 31 days may be evidenced by a Notification by electronic mail or U.S. Mail in the discretion of the Association Executive Board and inclusion as a Rule and Regulation.

ii) All leases for any period of time and whether in writing or not in writing shall incorporate by reference, whether stated or unstated, this Declaration and the tenant's occupancy of the Unit shall be subject in all respects to the provisions of the Association Documents, as the same may be amended from

time to time, and that any failure by such tenant to comply with the provisions of these instruments, in any respect, shall be a default under the lease, said default to be enforceable by the Executive Board, the Owner/landlord, or both and shall entitle the Executive Board to enforce all of such requirements by any applicable action at law.

- iii) Owner's right to lease is expressly conditional upon applicable Rules and Regulations.
- iv) Any Owner who leases his Unit shall forward a copy of the lease to the Association within ten (10) days after the execution by Owner and the Tenant/Lessee if the Association provides for such in the Rules and Regulations.

C. Restrictions on Vehicles.

- i) Parking or storing of vehicles within the Property shall be subject to Rules and Regulations enacted by the Executive Board and provisions of this Declaration.
- ii) No portion of the Common Elements shall be used as a parking, storage, display or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, motor home, running gear, boat or accessories thereto.
- iii) No abandoned or inoperable vehicles of any kind shall be stored or parked on the Project. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, van, recreational vehicle or other device for carrying passengers, goods or equipment which has not been driven under its own propulsion for a period of two weeks or longer, or which does not have installed within it an operable propulsion system.
- iv) Unlicensed motor vehicles shall not be operated on the Common Elements. The definition of unlicensed motor vehicles shall include, but is not limited to, go-carts, mini-bikes, unlicensed motor bikes and all-terrain vehicles.
- v) Parking of permitted vehicles upon the designated parking

subject to Rules and Regulation of the Executive Board.

D. Nuisances. Any use, activity or practice which is the source of or unreasonably interferes with the peaceful enjoyment or possession of a Unit or any portion of the Common Elements or any portion of the planned community created hereunder. All valid laws, and regulations of all governmental bodies having jurisdiction over the Project or a portion thereof shall be observed and may be enforced by the Association as if the same were contained in the Association Documents. In no event shall the activities of the Declarant or of an approved builder which are reasonably necessary to the exercise of the rights granted by this Declaration and the Act be considered a "nuisance" unless such activities interferes with any Owner's use and enjoyment of such Owner's Unit.

E. Timeshare Restriction. No owner of any Unit shall offer or sell any interest in such Unit under a "timesharing" or "interval ownership" plan, or any similar plan without the specific prior written approval of the Association, the Declarant (during the period of Declarant's control as further describe-d in that Section named Period of Declarant's control) and the Town of Frisco, which approval shall be in addition to the applicable ordinances of the Town of Frisco.

F. Affordable Housing. The occupancy of Unit C will be restricted to a person or persons employed in Summit County at least 30 hours a week, together with their dependents. In the event the Town of Frisco should change its Ordinance respecting Affordable Housing the occupancy of Unit C will comply with that Ordinance.

G. Hot Tub or Similar Device. If the Association should maintain a Hot Tub or similar amenity on the Common Area, the Association may, by Rule or Regulation, regulate the use of such device. If an Owner should install a hot tub in an area appurtenant to such Owner's Unit, the Association shall have the right by Rule or Regulation to regulate the use of such device.

ARTICLE XIII ENFORCEMENT PROCEEDINGS

Section 13.1. Enforcement. Except as otherwise provided in this Declaration, the Executive Board, Declarant, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this

Declaration.

Additionally, any such violation shall give the Declarant or the Executive Board the right, in addition to any other rights set forth therein, (i) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure or condition that may exist therein in violation of the Declaration or rules adopted by the Executive Board or Manager without being deemed guilty in any manner of trespass or any other civil or legal violation; and (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach, with each Owner or other persons constructing improvements upon the Property hereby waiving the posting of a bond upon entry of such injunction. All reasonable attorneys fees and costs incurred by the Declarant or the Association in a suit to enforce the terms hereof shall, if said Declarant or the Association in such action, be recoverable from the hosting party.

No provision relating to arbitration shall be valid and enforceable against the Association unless the Executive Board specifically authorizes such arbitration in a contract related to the business of the Association.

The Executive Board of the Association is a non-paid voluntary position and its members are volunteers and entitled to the immunity provided for by Colorado law at § 13-21-115.5. Volunteer service act.

Section 13.2. Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 13.3. Failure to Enforce. Failure to enforce any provision of this Declaration or other Association Documents shall not operate as a waiver of any such provision or of any other provision of this Declaration.

Section 13.4. Conflicts Between Documents. In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Section 13.5. References to Town of Frisco Standards. Wherever in this Declaration there is a reference to land use regulations, zoning other Town of Frisco standards, any maps approved by Town of Frisco or any other Federal, State

or Local rule, law or regulation, such references shall automatically be waived, released, modified, or amended, as the case may be, to correspond with any subsequent waiver release, modification or amendment of such regulations, such regulations, zoning other Town of Frisco standard, Approval Resolutions, maps or any other rule or law.

Section 13.6. Mailing of Notices. All notices, demands or other notices intended to be served upon an owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such owner according; to the Association's records in care of the unit number and building address of the applicable condominium unit. All notices, demands or other notices intended to be served upon the managing agent or the Executive Board of the Association shall be sent by ordinary First Class or certified mail, postage prepaid, to:

PETE CAMPBELL
_____, Manager
PO Box 4272
Frisco, CO 80443

Such agent and address may be changed by subsequently recorded documents or by written notice to all affected parties.

A. Any owner may, by notice in writing, provide the Association with a different address for mail to such owner, which shall be used by the Association in lieu of such an address above provided.

B. Any first mortgagee, upon written request, shall be entitled to notice from the Association or managing agent under the same circumstances as its mortgagor, at such address as such mortgagee shall provide by such notice.

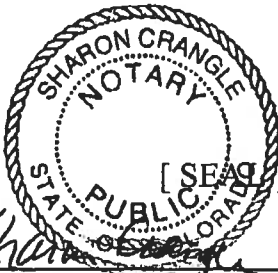
C. Any notice provided herein shall be deemed given when deposited postage prepaid in the United States mail.

Section 13.7. General. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

Subscribed and sworn to before me this 14th day of ~~August~~ October, 2011, by Pete Campbell, as Manager and Member of Back Country Cabins, LLC.

WITNESS my hand and official seal.

My commission expires:
10-26-14


Notary Public