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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
BISON CROSSING**

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OF
BISON CROSSING

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
BISON CROSSING**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF BISON CROSSING ("Declaration"), dated as of the 19th day of June, 2013, shall be effective upon recordation and is made by 207 Main, LLC, a Colorado limited liability company ("Declarant"). Declarant is the owner of certain real property in Summit County, Colorado, more particularly described on Exhibit A attached hereto and incorporated herein by this reference ("Property"). Declarant hereby makes the following grants, submissions and declarations:

ARTICLE 1. IMPOSITION OF COVENANTS

Section 1.1. Purpose. The purpose of this Declaration is to create a planned community known as Bison Crossing ("Project") by submitting the Property to the planned community form of ownership pursuant to the Colorado Common Interest Ownership Act, Article 33.3, Title 38, Colorado Revised Statutes, as amended and supplemented from time to time ("Act").

Section 1.2. Intention of Declarant. Declarant desires to protect the value and desirability of the Project, to further a plan for the improvement, sale, and ownership of the Units in the Project, to create a harmonious and attractive development, and to promote and safeguard the health, comfort, safety, convenience, and welfare of the Owners of Units in the Project.

Section 1.3. Declaration. To accomplish the purposes and intentions recited above, Declarant hereby imposes upon all of the Property the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions of this Declaration, and Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, rented, occupied, and improved, subject to the provisions of this Declaration.

Section 1.4. Covenants Running With the Land. All provisions of this Declaration shall be deemed to be covenants running with the land, or as 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 Declarant, all Unit 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.

Section 1.5. Exemption From the Act. Pursuant to C.R.S. § 38-33.3-116(2), the Project shall, unless otherwise set forth herein, be subject only to Sections 38-33.3-105 to 38-33.3-107 of the Act.

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 as defined in Section 1.1 hereof.

Section 2.2. "Allocated Interest" means the votes in the Association and the pro rata share of Assessments allocated to each of the Units in the Project. The formula used to establish each Allocated Interest is described in **Article 4**. The Allocated Interest for each Unit is set forth on Exhibit B.

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

Section 2.4. "Association" means the Bison Crossing Association, a Colorado nonprofit corporation, and its successors and assigns.

Section 2.5. "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.

Section 2.6. "Building" means any of the four buildings constructed on the Property.

Section 2.7. "Bylaws" means that instrument, however denominated, which is adopted by the Association for the regulation and management of the Association, including the amendments thereto.

Section 2.8. "Commercial Unit" means Units 1, 4 and 5.

Section 2.9. "Common Elements" means all of the Project, other than the Units, but including, without limiting the generality of the foregoing, the General Common Elements and Limited Common Elements either depicted on the Map or described herein. The Common Elements shall be owned by the Association.

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, improvement, maintenance or replacement of the Common Elements, except to the extent such expenses are the responsibility of a Unit Owner as provided in this Declaration;

- (b) expenses of repair, replacement, improvement or maintenance of the Exterior Elements;
- (c) expenses declared Common Expenses by the provisions of the Act, this Declaration or the Bylaws;
- (d) all sums lawfully assessed against the Units by the Board of Directors;
- (e) expenses agreed upon as Common Expenses by the members of the Association; and
- (f) expenses provided to be paid pursuant to any Management Agreement.

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. "Declarant" means 207 Main, LLC, a Colorado limited liability company, and its successors and assigns.

Section 2.14. "Declaration" means this Declaration, and any supplement or amendment to this Declaration. The term Declaration includes the Map recorded with this Declaration without specific reference thereto, and any supplement or amendment thereto.

Section 2.15. "Driveway/Walkway General Common Element" means that portion of the Project shown and depicted on the Map as Driveway G.C.E. and Concrete Walk G.C.E.

Section 2.16. "Eligible First Mortgagee" means a First Mortgagee which has notified the Association in writing of its name and address and status as a First Mortgagee and has requested that it receive notices provided for in the Article entitled "Mortgagee Protections."

Section 2.17. "Employee Housing Covenant" means the Restrictive Covenant and Agreement (Employee Housing) recorded in the records of Summit County on October 28, 2008, at Reception No. 899394.

Section 2.18. "Exterior Elements" means all of the exterior surfaces of the Buildings and Improvements including, but not limited to roofs, exterior windows, exterior doors, siding, exterior fixtures, porches, decks and patios.

Section 2.19. "First Mortgagee" means a holder of a Security Interest in a Unit which has priority over all other Security Interests in the Unit.

Section 2.20. "General Common Elements" means the Common Elements, except for the Limited Common Elements. Without limiting the generality of the foregoing, General Common Elements include:

- (i) any equipment or facility located in any Unit or Limited Common Element, which equipment or facility makes up a part of the heating system for the Driveway/Walkway General Common Element; and
- (ii) any equipment or facility located in any Unit or Limited Common Element, which equipment or facility makes up a part of the irrigation system for the Common Elements. The foregoing notwithstanding, the Owner of Unit 1 shall not be reimbursed by the Association for the cost of electricity used by such equipment or facility.

Section 2.21. "Improvements" means the Buildings, including, but not by way of limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, chimneys, chimney chases, flues, roofs, patios, decks, balconies, stairways, utility services, equipment and all other improved areas located on the Property and constituting the Project, including the Units and Common Elements.

Section 2.22. "Limited Common Elements" means those portions of the Common Elements allocated by this Declaration for the exclusive use of one or more Units, but fewer than all of the Units. Without limiting the generality of the foregoing, Limited Common Elements include:

- (i) any windows and doors located at the boundaries of Units, utility systems, mechanical systems, exhaust and ventilation systems, fireplaces, patios, balconies, decks, garages, parking spaces, entrances, exits and hallways and other areas and Improvements that are designed or designated to serve fewer than all of the Units;
- (ii) any physical portion of the Project that is designated on the Map as "Limited Common Element," or "LCE;"
- (iii) any equipment or facility located in the Mechanical Room on the Lower Level of Unit 2, which equipment or facility serves both Unit 2 and Unit 3, shall be deemed Limited Common Element Units 2 and 3, and all costs associated with the operation, maintenance, repair or replacement of such equipment or facility shall be borne by the Owners of Units 2 and 3 in proportion to the Allocated Interest of each Unit;
- (iv) The L.C.E. Unit 3 Garage is Limited Common Element for the exclusive use of the Owner of Unit 3, and is heated by the boiler and other heating facilities serving Unit 1. The thermostat for the L.C.E. Unit 3 Garage shall be enclosed, locked, and remain set at 45 degrees Fahrenheit, unless a higher temperature is agreed to by the Owner of Unit 1. The Owner of Unit 3 shall be assessed and shall pay, as an Assessment pursuant to Article 10 hereof, and the Owner of Unit 1 shall receive a matching credit towards Assessments due for Unit 1, a monthly sum in an amount determined by the Board of Directors in order to fairly and equitably compensate the Owner of Unit 1 for the cost to provide heat to the L.C.E.

Unit 3 Garage on an annual basis. The L.C.E. Unit 3 Garage shall be kept closed at all times except when the Owner of Unit 3 is actively accessing the Garage;

- (v) The cost of any and all maintenance, repair or replacement of the L.C.E. Units 2 and 3 Window Well shall be borne equally between the Owners of Units 2 and 3.
- (vi) The cost of any and all maintenance, repair or replacement of the L.C.E. Units 3 and 4 Deck, Landing, Stairs and Concrete Patio shall be borne equally between the Owners of Units 3 and 4.

If any chute, flue, duct, wire, conduit, pipe, bearing wall, bearing column or other structural component, any portion of a mechanical system or any fixture lies partially within and partially outside of the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the General Common Elements. If any equipment, mechanical system or fixture, including any chute, flue, duct, wire, conduit or pipe, serves less than all of the Units, it shall be a Limited Common Element allocated solely to the Unit or Units served. All Limited Common Elements shall be used in connection with the Unit(s) to which they are appurtenant to the exclusion of the use thereof by others, except by invitation. No reference to Limited Common Elements need be made in any instrument of conveyance or encumbrance in order to convey or encumber the Limited Common Elements appurtenant to a Unit.

Section 2.23. "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 2.24. "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 2.25. "Map" means that part of this Declaration which meets the requirements of a land survey plat as set forth in C.R.S. 38-51-106 and the requirements of C.R.S. 38-33.3-209(2), depicts all or any portion of the Project, is executed by the Declarant or the Owners, and is recorded in the Records, and any supplement or amendment thereto.

Section 2.26. "Occupant" means any Unit Owner, any member, partner or beneficiary of a Unit Owner, any member of a Unit Owner's family, or any guest, invitee, servant, tenant, employee, or licensee of a Unit Owner, occupying a Unit or on the Common Elements for any period of time.

Section 2.27. "Party Wall" means the common walls, both vertically and horizontally, located between Units 2 and 3, and Unit 1 and the L.C.E. Unit 3 Garage; and any such walls created by the future subdivision of any Unit.

Section 2.28. "Project" means the term as defined in Section 1.1 hereof.

Section 2.29. "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 Rules, Regulations and Policies, relating to the Project adopted under such documents by the Association or the Board of Directors.

Section 2.30. "Property" means the real property described in the attached Exhibit A and on the Map.

Section 2.31. "Purchaser" means a person, other than a Declarant, who by means of a transfer will acquire a legal or equitable title in a Unit, other than a leasehold estate in a Unit of less than forty years or a Security Interest.

Section 2.32. "Real Estate" means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with the conveyance of land, though not described in the contract of sale or instrument of conveyance. Real Estate includes parcels with or without horizontal boundaries and spaces that may be filled with air or water.

Section 2.33. "Records" means the Office of the Clerk and Recorder of Summit County, Colorado.

Section 2.34. "Residential Unit" means Units 2 and 3.

Section 2.35. "Rules, Regulations and Policies" means the rules, regulations, policies and procedures promulgated by the Board of Directors for the management, preservation, safety, control, and orderly operation of the Project in order to effectuate the intent and to enforce the obligations set forth in the Project Documents, as amended and supplemented from time to time.

Section 2.36. "Security Interest" means an interest in Real Estate or personal property created by contract or conveyance which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation. The holder of a Security Interest includes any insurer or guarantor of a Security Interest.

Section 2.37. "Unit" means a physical portion of the Project which is created by and designated for separate ownership or occupancy and the boundaries of which are described in or determined by this Declaration and the Map. Each Unit shall be designated by a separate number or other symbol or combination thereof that identifies only one Unit in the Project as more specifically set forth on Exhibit B. A Unit shall include all of the structural components of the Buildings including, but not limited to, foundations, walls, roofs, siding and all other external elements and finishes. A Unit also shall include all improvements contained within the perimeter walls, ceiling and floors, including any heating and cooling elements and related equipment, utility lines and outlets, electrical and plumbing fixtures, pipes and other related

equipment required to provide heating, air handling, hot and cold water, electrical, gas, telephone, cable television, internet services or other utility services to or for the Unit and located within the perimeter walls, ceilings and floors.

Section 2.38. “Unit Owner” or “Owner” means the Declarant or any other person who owns record title to a Unit (including a contract seller, but excluding a contract purchaser) but excluding any person having a Security Interest in a Unit unless such person has acquired record title to the Unit pursuant to foreclosure or any proceedings in lieu of foreclosure.

ARTICLE 3. DIVISION OF PROJECT INTO UNIT OWNERSHIP AND COMMON ELEMENTS

Section 3.1. Division Into Units. The Property is hereby divided into five Units, each consisting of a fee simple interest in a Unit. In the event that any of the Units are further subdivided pursuant to Section 3.3, no more than eight Units shall be created within the Project.

Section 3.2. Delineation of Unit Boundaries. The boundaries of each Unit are delineated on the Map and each Unit is designated by an identifying number on the Map, and those numbers are set forth in Exhibit B. The floor area of each Unit has been measured from the exterior surface of the perimeter walls of each Unit, as such walls are delineated on the Map, and includes each level of such Unit and the floor area of the garage which is either a part of such Unit or Limited Common Element designated for the exclusive use of such Unit.

Section 3.3. Subdivision of Units. No part of a Residential Unit or of the legal rights comprising ownership of a Residential Unit may be subdivided, partitioned or separated from any other part thereof during the period of ownership prescribed in this Declaration. Each Residential Unit shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete Unit. Each of the Commercial Units may be further subdivided into two Units provided that such subdivision is approved by the Owner of the Unit being subdivided, the Board of Directors, and the Town of Breckenridge. The Board of Directors may refuse to approve any such subdivision if, in the Board's reasonable good faith opinion, such subdivision would be detrimental to the Project or to any other Unit. In the event of any such subdivision, the Map and the Declaration, including Exhibit B, shall be amended to reflect such subdivision and to address all issues relating to Assessments and other matters, if any, impacted by such subdivision. The Owner of the Unit being subdivided shall pay all costs and expenses relating to such subdivision. Every conveyance, transfer, gift, devise, bequest, encumbrance, or other disposition of a Unit or any part thereof shall be presumed to be a disposition of the described interest in the Unit, including all rights and interests appurtenant thereto as created by law or by this Declaration.

Section 3.4. Nonpartitionability of Common Elements. The Common Elements shall be owned by the Association and shall remain physically undivided, and no Unit 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 Unit, each Unit Owner of the Unit shall be deemed to have specifically waived such Unit 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 Unit 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. Conveyance of Common Elements. In consideration for the performance of its obligations under the Project Documents, Declarant hereby conveys to the Association the Common Elements as described herein and as depicted on the Map.

ARTICLE 4. ALLOCATED INTERESTS

Section 4.1. Allocation of Interests. The Allocated Interest determined by Declarant and assigned to each Unit is set forth on 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, the Common Expense Liability and the votes in the Association allocated to each Unit all are based on the relative floor area of each Unit, including the floor area of the L.C.E. Unit 3 Garage, as compared to the floor area of all of the Units in the Project and have been calculated in accordance with the following formula: divide the floor area for each Unit by the total floor area of all Units in the entire Project and multiply the quotient derived thereby by one hundred and express such resultant quotient as a percentage. The floor area of each of the Units has been determined by the Declarant for purposes of this Section 4.2 and is set forth on Exhibit B.

Any specified percentage, portion, or fraction of Unit Owners, unless otherwise stated in the Project Documents, means the specified percentage, portion, or fraction of all of the Allocated Interests. The determination of the floor area for each Unit by Declarant shall be final and conclusively presumed to be accurate for purposes of determining the Allocation of Interests pursuant to this Article 4.

ARTICLE 5. MAP

The Map shall be filed in the Records. Any Map filed subsequent to the first Map shall be termed an amendment to such Map, and the numerical sequence of such amendments shall be shown thereon. The Map shall be filed following substantial completion of the Improvements depicted on the Map and prior to the conveyance of any Unit depicted on the Map to a Purchaser. The Map shall conform to the requirements of and contain all information required by Section 209 of the Act. In interpreting the Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries.

ARTICLE 6. LEGAL DESCRIPTION AND TAXATION OF UNITS

Section 6.1. Contracts to Convey Entered into Prior to Recording of Declaration and Map. A contract or other agreement for the sale of a Unit entered into prior to the filing of this Declaration in the Records may legally describe such Unit in substantially the manner set forth in this Article and may indicate that this Declaration and Map are to be recorded.

Section 6.2. Contracts to Convey and Conveyances Subsequent to Recording of Declaration and Map. Subsequent to the recording of this Declaration and Map, contracts to convey, instruments of conveyance of Units, and every other instrument affecting title to a Unit shall be in substantially the following form with such omissions, insertions, recitals of fact, or other provisions as may be required by the circumstances or appropriate to conform to the requirements of any governmental authority, practice, usage or requirement of law with respect thereto:

Unit _____, Bison Crossing, Summit County, Colorado.

Section 6.3. Conveyance. Every instrument of conveyance, Security Interest, or other instrument affecting the title to a Unit which legally describes a Unit substantially in the manner set forth above shall be construed to describe such Unit, and to incorporate all the rights incident to ownership of a 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 6.4. 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 Unit(s). No forfeiture or sale of any Unit for delinquent taxes, assessments, or any other governmental charge shall divest or in any way affect the title to any other Unit or the Common Elements.

ARTICLE 7. UNIT OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS

Section 7.1. Common Elements. Every Unit 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, Regulations and Policies concerning vehicular and pedestrian traffic and travel upon, in, under and across the Project; and
- (c) the right of the Association to adopt, from time to time, any and all Rules, Regulations and Policies 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 Unit Owners and Occupants, and for facilitating the greatest and most convenient availability and use of the Units and Common Elements by Unit Owners and Occupants.

Section 7.2. Limited Common Elements. Subject to the provisions of this Declaration, every Unit Owner shall have the right to use and enjoy the Limited Common Elements appurtenant to his Unit.

ARTICLE 8. ASSOCIATION POWERS AND DUTIES

Section 8.1. Association Management Duties. Subject to the rights and obligations of Declarant and other Owners as set forth in this Declaration, the Association shall be responsible for: the administration and operation of the Project; and the exclusive management, control, maintenance, repair, replacement, and improvement of the General Common Elements, the Limited Common Elements appurtenant to more than one Unit, and the Exterior Elements, including keeping the same in good, clean, attractive, and sanitary condition, order, and repair. Whenever the Association is charged with or assumes the responsibility of keeping General Common Elements, Limited Common Elements, or Exterior 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 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 Unit Owners shall not be required in order for the Association to pay any such expenses, costs, and fees.

The Association shall not have any responsibility for the good, clean, attractive, safe or sanitary condition of or snow removal from stairways, decks, balconies, patios or porches designated as Limited Common Elements appurtenant only to one Unit, except to such extent as the Association may determine is necessary or appropriate to maintain good, clean, attractive, safe and sanitary conditions, in which case the costs incurred may be assessed against the Unit for which such services are provided.

The Association shall establish and maintain, out of the installments of the annual Assessments, adequate reserve funds for maintenance, repair, or replacement of those Common and Exterior Elements that must be maintained, repaired, or replaced on a periodic basis, in accordance with Section 10.3 herein. 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 Unit 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 Unit Owner and such Unit Owner's authorized agents.

Section 8.2. Association Powers. The Association shall have, subject to the limitations contained in this Declaration, 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, Regulations and Policies;
- (b) adopt and amend budgets for revenues, expenditures and reserves;

- (c) collect assessments for Common Expenses from Unit Owners;
- (d) hire and terminate Managing Agents and other employees, agents, and independent contractors;
- (e) institute, defend or intervene in litigation or administrative proceedings in the Association's name on behalf of the Association on matters affecting the Project;
- (f) make contracts and incur liabilities;
- (g) regulate the use, maintenance, repair, replacement and modification of the Common and Exterior Elements, including, but not by way of limitation, the right to designate, reserve or otherwise restrict the use of Common Elements in such a manner that they predominately, or exclusively, benefit fewer than all of the Units;
- (h) cause additional improvements to be made as part of the Common and Exterior Elements;
- (i) acquire, hold, encumber, and 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 of the Unit 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, other than Limited Common Elements, and for services provided to Unit 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, Regulations and Policies of the Association;
- (m) impose reasonable charges for the preparation and recordation of amendments to this Declaration or statements of unpaid Assessments;
- (n) provide for the indemnification of the Association's officers and Board of Directors and maintain Board of Directors' and officers' liability insurance;
- (o) assign the Association's right to future income, including the right to receive Assessments;

- (p) exercise any other powers conferred by the Act, this Declaration, or the Bylaws;
- (q) exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and
- (r) exercise any and all 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 or the Bylaws, 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, powers and duties, 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.

Section 8.4. Board of Directors Meetings. All meetings of the Board of Directors shall be open to the Unit Owners or their representatives appointed in accordance with Section 9.1 hereof, as more fully provided for in the Bylaws, except for executive or closed door sessions held in accordance with the provisions of the Bylaws.

Section 8.5. Right to Notice and Hearing. Whenever the Project Documents require that an action be taken after “notice and an opportunity to be heard”, the following procedure shall be observed:

- (a) the party proposing to take the action (e.g., the Board of Directors, a committee, an officer, the Managing Agent) shall give notice of the proposed action to all Unit Owners whose interests the proposing party reasonably determines would be significantly affected by the proposed action;
- (b) the notice shall be delivered personally, or by mail, fax or e-mail, not less than ten days before the proposed action is to be taken; and
- (c) the notice shall include a general statement of the proposed action and the date, time and place of the hearing.

At the hearing, the affected person shall have the right personally, or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the hearing was given. Any Unit Owner having a right to notice and to be heard shall have the right to appeal to the Board of Directors from a decision of a proposing party other than the Board of Directors by filing a written notice of appeal with the Board of Directors within ten days after being notified of the decision. The Board of Directors shall conduct a hearing within forty-five days, giving the same notice and observing the same procedures as were required for the original hearing.

Section 8.6. Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association shall collect from all Purchasers, at the time of the conveyance of each Unit, an amount equal to three months' worth of annual Assessments based on the Association's budget in effect at the time of such conveyance. Such payments to this fund shall not be considered advance payments of annual Assessments. At the time of any conveyance of each Unit, after the initial conveyance by Declarant, the Association shall be responsible for reimbursing the prior Unit Owner for an amount equal to the amount of the three months annual Assessments on deposit with the Association for the Unit being conveyed.

ARTICLE 9. MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 9.1. Association Membership. Every Unit Owner shall be a member of the Association and shall remain a member for the period of the Unit Owner's ownership of a Unit. No Unit 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 a Unit 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 person or alternate persons to represent the Unit Owners of the Unit. Such representative shall be a natural person who is a Unit Owner, or a board member, officer or employee of a corporate Unit Owner, a general partner or employee of a partnership Unit Owner, a manager, officer or employee of a limited liability company Unit Owner, a trustee of a trust Unit Owner, or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Unit 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 Unit Owners of a Unit is present at a meeting of the Association, such Unit Owner is entitled to cast the entire weighted vote allocated to that Unit. If the Association has not received the written instrument required above and if more than one of the multiple Unit Owners are present, the Association may assume that any Unit Owner who casts the vote allocated to that Unit is entitled to do so unless one or more of the other Unit 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 Unit Owners of the Unit who are present at the meeting.

Section 9.2. Voting Rights and Meetings. Each Unit in the Project shall have a single weighted vote as calculated in accordance with Section 4.2 and set forth on Exhibit B, 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 year. Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Unit Owners having twenty percent, or any lower percentage specified in the Bylaws, of the votes in the Association. In accordance with the requirements set forth in the Bylaws, the Secretary or other officer specified in the Bylaws shall cause notice of any meeting of the members of the Association to

be hand-delivered or sent prepaid by United States Mail to the mailing address of each Unit Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to this Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. Unless the Bylaws provide otherwise, a quorum is deemed present throughout any meeting of the Association at which persons entitled to cast forty percent 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 or Rules, Regulations and Policies, may authorize the Association, during the period of any delinquency, to suspend an Owner's voting privileges or any other privileges.

Section 9.3. Meeting to Approve Annual Budget. At the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Unit Owners shall be afforded the opportunity to ratify a budget of the projected revenues, expenditures, and reserves for the Association's next fiscal year as proposed by the Board of Directors. A summary of the proposed budget adopted by the Board of Directors shall be mailed to the Unit Owners within thirty days after its adoption, along with a notice of a meeting of the Association to be held not less than fourteen nor more than sixty days after mailing of the summary to the Unit Owners. Unless, at such meeting, a majority of all Unit Owners, rather than a majority of those present and voting in person or by proxy, reject the proposed budget, the proposed budget is ratified, whether or not a quorum is present at the meeting. In the event the proposed budget is rejected, the budget last ratified by the Unit Owners shall continue to be in effect until such time as the Unit Owners ratify a subsequent budget proposed by the Board of Directors as provided above.

Section 9.4. Unit Owners' and Association's Addresses for Notices. All Unit Owners of each Unit shall have one and the same registered mailing address to be used by the Association or other Unit Owners for notices, demands, and all other communications regarding Association matters. The Unit Owner or the representative of the Unit Owners of a Unit shall furnish such registered address to the secretary of the Association within ten days after transfer of title to the Unit to such Unit Owner or Unit 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 registered or if all of the Unit Owners cannot agree, then the address of the Owners as set forth in the published records of the Summit County Assessor shall be deemed their registered address until another registered address is furnished as required under this Section. If the address of the Unit is the registered address of the Unit Owner(s), 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 Unit 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 address as the Board of Directors may designate from time to time by notice to the Unit Owners in accordance with Colorado statutes.

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

Section 9.5. 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 Unit Owner within fifteen 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 10. ASSESSMENTS

Section 10.1. Commencement of Annual Assessments. Subject to the adoption of a budget and levying of Assessments by the Association, Assessments for Common Expenses shall begin when this Declaration and the Map have been filed in the Records and shall be payable by the Unit Owner(s), including Declarant, of each Unit having received a certificate of occupancy. After the first Assessment has been made by the Association, Assessments shall be made no less frequently than annually.

Section 10.2. 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 Project including maintenance, repair, and replacement of the Common or Exterior Elements as required by 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 Unit 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 10.3. Assessment for Replacement Reserves. The Association shall establish and maintain adequate reserve funds for the replacement of improvements to the Common Elements, Exterior Elements, and those Limited Common Elements that the Association is obligated to maintain (the "Reserve Funds"). The Reserve Fund shall be a line item in the budget and shall be collected from Owners as part of the regular Common Expenses. Reserve Funds established and maintained for the replacement of improvements to the Buildings shall be maintained and accounted for separately for each Building so that there exists a separate Reserve Fund for the replacement of improvements for each Building. The Association shall adopt policies and procedures for any investment of the Reserve Fund, as set forth in the Bylaws and Rules, Regulations and Policies. The decision of the amount to be placed in the Reserve Fund shall be recommended by the Board, and may be ratified or rejected at the meeting to approve the budget, in accordance with Section 9.3 herein.

Section 10.4. 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 associated with the maintenance, repair or replacement of Limited Common Elements which shall be assessed in proportion to each Unit's Allocated Interest in the appurtenant Limited Common Elements or on such other equitable basis as the Board of Directors shall determine, only to the Units to which the specific Limited Common Elements are appurtenant;
- (c) Common Expenses, including Reserve Funds, associated with the maintenance and repair of the Exterior Elements and the Common Elements that are part of a Building shall be allocated separately to each Building and assessed to the Unit or Units in each such Building based upon the relative Allocated Interests of such Units so that only the Owners of the Unit or Units in each Building are responsible for the maintenance and repair of the Building. For purposes of this Section 10.4, the L.C.E. Unit 2 Garage shall be considered a part of Unit 2;
- (d) Common Expenses or portions thereof predominately or exclusively benefiting fewer than all of the Units, or benefitting all of the Units in a manner which is significantly disproportionate to the relative Allocated Interests, which shall be assessed only against the Units benefited in a manner as the Board of Directors shall determine so as to in good faith attempt to allocate such Common Expenses in a fair and equitable manner;
- (e) any increased cost of insurance based upon risk which shall be assessed to Units in proportion to the risk;
- (f) any Common Expense caused by the misconduct of any Unit Owner(s), which may be assessed on such equitable basis as the Board of Directors shall determine against such Unit Owner(s);
- (g) any expenses which are charged by third party providers equally to the Units; and
- (h) Common Expenses which are, pursuant to any provision of this Declaration, allocated to one or more Units in a specific fashion.

All such allocations of Common Expenses to Units on a basis other than the Units' Allocated Interests in the Common Elements shall be made in the reasonable discretion of the Board of Directors based on the foregoing. Unless specifically provided above to be 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 Unit Owner, e.g., charges for common utilities such as gas, water or sewer. Because the water for the Common Area irrigation is supplied by Unit 1, the Owner of Unit 1 shall contribute a sum equal to the minimum charge for water

required for such Unit by the Town of Breckenridge, or its successor, as regularly billed, and the remainder of the water charges for Unit 1 shall be a Common Expense.

Section 10.5. 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 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 Common or Exterior Elements constituting the Project, specifically including any fixtures and personal property related to or a part of the Common or Exterior Elements. Any amounts determined, levied, and assessed pursuant to this Declaration shall be assessed to the Units pursuant to the provisions in Section 10.4. Any special Assessment shall be subject to the same requirement for review and approval by the Unit Owners as is the annual budget.

Section 10.6. Due Dates for Assessment Payments. Unless otherwise determined by the Board of Directors, the annual Assessments and any special Assessments which are to be paid in installments shall be paid either monthly or quarterly, in advance, as determined by the Board of Directors, and shall be due and payable to the Association at its office, or as the Board of Directors may otherwise direct in any Management Agreement, without notice (except for the initial notice of any special Assessment), on the first day of each month. If any such installment shall not be paid within ten days after it shall have become due and payable, then the Board of Directors may assess a late charge, default interest charge, fee, or such other charge as the Board of Directors may fix by rule from time to time to cover the extra expenses involved in handling such delinquent Assessment installment. Until established or changed by the Board of Directors, the default interest charge shall be made at the rate of eighteen percent per annum. A Unit Owner's Assessment shall be prorated if the ownership of a Unit commences or terminates on a day other than the first day or last day, respectively, of a month or other applicable payment period.

Section 10.7 Default Assessments. All Costs of Enforcement assessed against a Unit Owner pursuant to the Project Documents, or any expense of the Association which is the obligation of a Unit Owner pursuant to the Project Documents shall become a default Assessment assessed against the Unit Owner's Unit. Notice of the amount and demand for payment of such default Assessment shall be sent to the Unit Owner prior to enforcing any remedies for non-payment hereunder.

Section 10.8 Covenant of Personal Obligation for Assessments. Declarant, by creating the Units pursuant to this Declaration, and all other Unit 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 Unit 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 Unit Owner's Unit. No Unit 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 10.9. 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 a perpetual lien 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 may 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, Regulations and Policies, the name of the Unit Owner or Unit 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 Unit Owner and to apply all such rents, profits, and income to the payment of delinquent Assessments. Each Unit 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 10.10. Remedies for Nonpayment of Assessments. If any annual, special, or default Assessment (or any installment of the Assessment) is not fully paid within ten days after the same becomes due and payable, then as often as the same may happen:

- (a) interest shall accrue at the default rate set by this Declaration or the Rules, Regulations and Policies on any amount of the Assessment in default, accruing from the due date until date of payment;
- (b) the Association may accelerate and declare immediately due and payable all unpaid installments of the annual Assessment or any special Assessment otherwise due during the fiscal year during which such default occurred;
- (c) the Association may thereafter bring an action at law or in equity, or both, against any Unit Owner personally obligated to pay the same; and
- (d) the Association may proceed to foreclose its lien against the particular Unit pursuant to the power of sale granted to the Association by this Declaration in the manner and form provided by Colorado law for foreclosure of real estate mortgages.

An action at law or in equity by the Association (or counterclaims or cross-claims for such relief in any action) against a Unit Owner to recover a money judgment for unpaid Assessments (or any installment thereof) may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to stop or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments (or installments thereof) which are not fully paid when due or for any subsequent

default Assessments. The Association shall have the power and right to bid in or purchase any Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, and to convey, or otherwise deal with the Unit acquired in such proceedings.

Section 10.11. Purchaser's Liability for Assessments. Notwithstanding the personal obligation of each Unit Owner to pay all Assessments levied against 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 Unit Owner(s) for any and all unpaid Assessments against such Unit, without prejudice to any such Purchaser's right to recover from any prior Unit Owner any amounts paid thereon by such Purchaser. A Purchaser's obligation to pay Assessments shall commence upon the date the Purchaser becomes the Unit Owner of a Unit. For Assessment purposes, the date a Purchaser becomes the Unit Owner shall be determined as follows:

- (a) in the event of a conveyance or transfer by foreclosure, the date a Purchaser becomes the Unit 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 Unit Owner of a Unit upon the execution and delivery of the deed or other instrument conveying or transferring title to the Unit, irrespective of the date such deed or instrument is recorded; and
- (c) in the event of conveyance or transfer by deed, a Purchaser shall be deemed to become the Unit 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 or instrument 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 10.12. Waiver of Homestead Exemption; Subordination of Association's Lien for Assessments. By acceptance of the deed or other instrument of transfer of a Unit, each Unit Owner irrevocably waives the homestead exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended. 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 for any Assessments imposed by the Association or arising from or out of the Project Documents to the extent the Act grants priority for assessments over the lien of any First Mortgagee; and

- (c) 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 Unit 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 10.13. Statement of Status of Assessments. Upon fourteen days' written notice to the Managing Agent or Board of Directors, delivered in accordance with the Act, and payment of a reasonable fee set from time to time by the Board of Directors, any Unit Owner, record holder of a Security Interest, prospective Purchaser of a Unit, or their written designees, shall be furnished a statement of the Unit Owner's account setting forth:

- (a) the amount of any unpaid Assessments then existing against a particular Unit;
- (b) the amount of the current installments of the annual Assessment and the date that the next installment is due and payable;
- (c) the date(s) for payment of any installments of any special Assessments outstanding against the Unit; and
- (d) any other information deemed proper by the Association, including the amount of any delinquent Assessments created or imposed under the terms of this Declaration.

Upon the issuance of such a certificate signed by a member of the Board of Directors, by an officer of the Association, or by a Managing Agent, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely on the certificate in good faith.

Section 10.14. 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 except a Security Interest in the Common Elements granted by the Association pursuant to the requirements of the Act.

ARTICLE 11. MAINTENANCE RESPONSIBILITY

Section 11.1. Unit Owner's Rights and Duties with Respect to Interiors. Except as may be provided in the purchase and sale agreement or other conveyancing documents executed by Declarant in connection with sales to initial Purchasers of the Units, each Unit Owner shall have the exclusive right and duty to paint, tile, wallpaper, or otherwise decorate or redecorate and to maintain and repair the interior surfaces of the walls, floors, ceilings, and doors of such Unit Owner's Unit and all walls, floors, ceilings, and doors within such boundaries, and to keep the windows of such Unit clean.

Section 11.2. Responsibility of the Unit Owner. The Unit Owner at his expense shall maintain and keep in good repair the interior of the Unit. 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 Unit Owner of that Unit. A Unit 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), or impair any easement or hereditament. Subject to the Association's overall responsibility for maintenance, repair, replacement and improvement of the Limited Common Elements, as provided for in Section 8.1, each Unit Owner shall be responsible for keeping any stairway, deck, balcony, garage, patio or porch constituting a Limited Common Element appurtenant to his Unit in good, clean, attractive, safe and sanitary condition, including cleaning and snow removal. If the upkeep, maintenance, repair or replacement of any deck, balcony, garage, patio or porch constituting a Limited Common Element appurtenant to a Unit is undertaken by the Association as provided for in Section 8.1, the Unit Owner will be responsible for the costs incurred by the Association in connection therewith.

Section 11.3. Unit Owners's Failure to Maintain or Repair. In the event that a Unit, the fixtures, equipment or utilities therein or Limited Common Elements appurtenant thereto are not properly maintained and repaired by the Unit Owners as required pursuant to this Article 11, or in the event that the fixtures, equipment or utilities in the Unit are damaged or destroyed by an event of casualty and the Unit 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 Unit Owner, shall have the right, but not the obligation, to enter upon the Unit to perform such work as is reasonably required to restore the Unit, fixtures, equipment or utilities therein or Limited Common Elements appurtenant thereto 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 Unit Owner upon demand. All unreimbursed 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 unpaid Assessments.

Section 11.4. Unit Owner's Negligence. In the event that the need for maintenance, repair, or replacement of all or any portion of the Common or Exterior Elements is caused through or by the negligent or willful act or omission of a Unit Owner, or Unit Owner's Occupant, then the expenses incurred by the Association for such maintenance, repair, or replacement shall be a personal obligation of such Unit Owner; and, if the Unit Owner fails to repay the expenses incurred by the Association within ten days after notice to the Unit Owner of the amount owed, then the failure to so repay shall be a default by the Unit 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 11.5. Responsibility of the Association. The Association, without the requirement of approval of the Unit Owners, shall maintain and keep in good repair, replace, and improve, as a Common Expense subject to the provisions of Article 10, all of the Project not required in this Declaration to be maintained and kept in good repair by a Unit Owner.

ARTICLE 12. MECHANICS' LIENS

Section 12.1. Mechanic's Liens. Subsequent to recording of this Declaration and the filing of the Map in the Records, no labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Unit Owner or the Unit Owner's agent, contractor, or subcontractor, shall be the basis for the filing of a lien against a Unit of any other Unit Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements. Each Unit Owner shall indemnify and hold harmless each of the other Unit Owners, the Association, and the Declarant from and against any liability or loss arising from the claim of any mechanic's lien or for labor performed or for materials furnished in work on such Unit Owner's Unit, against the Unit of another Unit Owner or against the Common Elements, or any part thereof.

Section 12.2. Enforcement by the Association. At its own initiative or upon the written request of any Unit 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 Unit Owner of the Unit on which the labor was performed or materials furnished the amount necessary to discharge by bond or otherwise any such mechanic's lien, including all costs and reasonable attorneys' fees incidental to the lien, and obtain a release of such lien. If the Unit Owner of the Unit on which the labor was performed or materials furnished refuses or fails to indemnify within ten days after the Association shall have given notice to such Unit Owner of the total amount of the claim, then the failure to so indemnify shall be a default by such Unit 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 13. PERMITTED USES AND USE RESTRICTIONS

Section 13.1. Permitted Use of Units. The Units may be used only as follows:

- (a) Unit 2 may be used and occupied for the purposes of resort lodging and accommodations, including short-term transient occupancy, as long term

residential rental dwelling, or as a residential dwelling by the Owners or Occupants, in compliance with all applicable laws, the terms of this Declaration and the Rules, Regulations and Policies.

- (b) Unit 3 may be used and occupied only in accordance with the Employee Housing Covenant.
- (c) Units 1, 4 and 5 may be used for any commercial, retail, business or office use permitted by the Town of Breckenridge, in compliance with all applicable laws, the terms of this Declaration, and the Rules, Regulations and Policies. The foregoing notwithstanding, all or any portion of Units 1, 4 and 5 may be converted to residential use if, and only if, such change of use is approved by the Town of Breckenridge and by the Board of Directors. The Board of Directors may refuse to approve any such conversion to residential use if, in the Board's reasonable good faith opinion, such conversion would be detrimental to the Project or to any other Unit.

Owners may rent or lease their Units to others for permitted purposes. Unit 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 Rules, Regulations and Policies. Each Unit Owner shall indemnify and hold the Association and all other Unit Owners harmless from any damage caused to the Common Elements or to any other Unit by such Unit Owner, or any Occupants of such Owner's Unit, and shall be responsible for paying any claims, damages or liabilities resulting from any such damage.

Section 13.2. Use of General Common Elements. There shall be no obstruction of the General Common Elements, nor shall anything be kept or stored on any part of the General Common Elements by any Unit Owner without the prior written approval of the Association. Nothing shall be altered on, constructed in, or removed from the General Common Elements by any Unit Owner without the prior written approval of the Association.

Section 13.3. 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 Project or in an increase in the rate of the insurance on all or any part of the 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 Project. No damage to or waste of the Common or Exterior Elements shall be committed by any Unit Owner or Purchaser, and each Unit Owner shall indemnify and hold the Association and the other Unit Owners harmless against all loss resulting from any such damage or waste caused by him, an Occupant of his Unit, or a Purchaser of such Owner's Unit. Failure to so indemnify shall be a default by such Unit Owner under this Section. At its own initiative or upon the written request of any Unit 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 13.4. 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, or other alteration visible from the exterior of the Unit, to any Exterior Element, or to any Common Element shall be made or caused to be made by any Unit Owner; no window coverings or other improvements, alterations, or decorations visible from outside a Unit shall be added by any Unit Owner; and no alteration or subdivision of Units or relocation of boundaries between adjoining Units shall be made by any Unit Owner. The Association shall promulgate Rules, Regulations and Policies establishing procedures for the approvals required by this Section. Such Rules, Regulations and Policies shall include, but shall not be limited to, requirements that the applicant submit plans and specifications showing the nature, kind, shape, height, color, materials, and location of the proposed alterations in sufficient detail for the Association to review them, and pay any processing and/or review fees, which may include any professional fees the Association or might incur in retaining architects or engineers to review the plans and specifications. The Rules, Regulations and Policies shall specifically consider the impact of the alteration on the harmony of external design and the location of the alteration in relation to surrounding structures and topography.

Section 13.5. Use Restrictions. No activity shall be allowed which interferes unduly with the peaceful possession and proper use of the Project by the Unit Owners, nor shall any fire hazard or unsightly accumulation of refuse be allowed. No lights shall be emitted which are unreasonably bright or cause unreasonable glare; no sound shall be emitted which is unreasonably loud or annoying; and no odor shall be emitted which is noxious, nauseous or offensive to others. No animals of any kind shall be raised, bred or kept on the Property or Project except that Unit Owners (and only Unit Owners) may keep domestic cats, dogs or other household pets which do not unreasonably interfere with the use and enjoyment of the Project by others and so long as such pets are (i) maintained in accordance with this Declaration, the Rules, Regulations and Policies; and (ii) not a nuisance or kept, bred or maintained for any commercial purposes. Notwithstanding the foregoing, the Association may prohibit the keeping of any pets upon the Property, or portions thereof, as may be necessary to comply with zoning approvals or regulations of governmental entities having jurisdiction over the Property. No business operating in any Commercial Unit shall remain open after 10:00 p.m.

Section 13.6. Limit on Timesharing. No Unit Owner shall offer and no Unit shall be used (i) for the operation of a timesharing, fractional ownership, interval exchange, or similar program whereby the right to exclusive use of a Unit (or any other structure) rotates among participants in the program on a fixed or floating time schedule over a period of years, or (ii) for the operation of a reservation or time-use system among co-Owners of a Unit managed by a party other than the co-Owners themselves, or (iii) for the operation of a reservation or time-use system among co-Owners whereby co-Owners are required as a condition of purchase of a fractional interest in the Unit to subject the fractional interest to a pre-determined reservation or time-use system among co-Owners, regardless of whether or not the co-Owner may later opt out of such system and regardless of whether the reservation or time-use system is recorded or unrecorded, fixed or floating, or (iv) for the operation of a vacation or other club, whether equity or non-equity owned, whereby a party obtains the right to the use of a Unit and other property for specified or unspecified periods of time even though the club entity obtains fee ownership of the Unit, (all of the foregoing uses or programs of ownership hereinafter called "Interval

Ownership”), without the specific prior written approval of the Declarant during the Period of Declarant Control, and, thereafter, of the Association.

Section 13.7. Restriction on Signs. Except for such signs or flags as are protected by the laws of the State of Colorado, no signs, flags, billboards, posterboards, or advertising structure of any kind shall be displayed, erected, or maintained for any purpose whatsoever except such signs as have been approved by the Association. Any signs which are permitted under the foregoing restrictions shall be erected or maintained on the Project only with the prior written approval of the Association, which approval shall be given only if such signs are of attractive design and in compliance with the Town of Breckenridge Sign Code, and shall be placed or located as directed or approved by the Association.

ARTICLE 14. EASEMENTS

Section 14.1. Easements of Enjoyment. Every Unit Owner shall have a non-exclusive easement for the use and enjoyment of the General Common Elements and a non-exclusive easement for the use and enjoyment of any Limited Common Elements appurtenant to more than one Unit which includes the Unit Owner’s Unit, and, subject to the terms hereof and such rules, regulations and policies as may be adopted in connection therewith, an exclusive easement for the use and enjoyment of the Limited Common Elements appurtenant only to such Unit Owner’s Unit, 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 7.

Section 14.2. Delegation of Use. Any Unit Owner may delegate, in accordance with the Project Documents, the Unit Owner’s right of enjoyment in the Common Elements to an Occupant of the Unit Owner’s Unit.

Section 14.3. Recorded Easements. The Property shall be subject to any easements as shown on any recorded plat affecting the Property, and as shown on the Map and as reserved or granted under this Declaration. The recording data for recorded easements and licenses appurtenant to or included in the Property or to which any part of the Property may become subject is set forth on the attached Exhibit C.

Section 14.4. Easements for Encroachments. The Project, and all portions of it, are subject to easements hereby created for encroachments between Units and the Common Elements as follows:

- (a) in favor of all Unit 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 Unit 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 Unit Owners, the Association, and the Unit 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 a Unit 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 Unit Owner's expense immediately upon notice from the Association. In the event such encroachment is not timely removed, the Association may affect removal of the encroachment and the expense thereof shall be a default Assessment to the Unit Owner.

Section 14.5. 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, upon approval by the Association, 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 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 Unit Owners, the Association and Declarant; 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, Declarant or 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 14.6. 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 and Units in the proper performance of their duties, which easement may not be amended or eliminated without the prior written consent of the Town of Breckenridge.

Section 14.7. 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 Units and the Common Elements and a right to make such use of the Units and 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 14.8. Easements of Access for Repair, Maintenance, and Emergencies. Some of the Common Elements are or may be located within the Units or Limited Common Elements or may be conveniently accessible only through the Units or Limited Common Elements. The Association shall have the irrevocable right, to be exercised by the Association as the Unit Owners' agent, to have access to each Unit and to all Common and Exterior Elements from time

to time during such reasonable hours as may be necessary for the maintenance, repair, removal, or replacement of any of the Common and Exterior Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common or Exterior Elements or to any Unit. Unless caused by the negligent or willful act or omission of a Unit 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 or Exterior Elements or as a result of emergency repair within another Unit at the instance of the Association or of the Unit Owners shall be a Common Expense. In order to provide access to all Units, Limited Common Elements, General Common Elements and Exterior Elements, every Unit Owner shall provide to the Association and its Managing Agent duplicates of all keys, combinations, or other facilities needed to obtain access to such Owner's Unit and to any portion of the Common Elements, including Limited Common Elements, and Exterior Elements to which access is controlled by such Owner.

Section 14.9. Easements Deemed Created. All conveyances of Units hereafter made, whether by Declarant or otherwise, 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 15. PARTY WALLS

Section 15.1 Party Walls. The provisions of this Article 15 shall apply only to those Units containing a Party Wall. It is hereby declared that a Party Wall, and any extensions of it, shall be legally deemed to be a party wall in all respects and shall be subject to the covenants and restrictions set forth in this Declaration, and to the extent not inconsistent with the provisions of this Declaration, the common law regarding party walls shall apply thereto.

Section 15.2 Easements Related to Party Walls. The Owner of each Unit shall have a perpetual and reciprocal easement in and to that part of the other Unit on which the Party Wall is located, for Party Wall purposes only, including mutual support, maintenance, repair and inspection.

Section 15.3 Use of Party Walls. The Owners of the Units shall have the full right to use the Party Wall to support joists, crossbeams, studs and other structural members as required for the support of improvements located upon each Owner's respective Unit and for the reconstruction or remodeling of such improvements; provided however, that such use shall not injure the improvements located upon the opposite side of such Party Wall and shall not impair the structural support to which any such improvements are entitled.

Section 15.4 Utilities Located Within Party Wall. After reasonable notice, the Owner of each Unit shall have the right to break into the Party Wall for the purpose of repairing or restoring Utilities (defined in Section 15.14 hereof) located within the Party Wall, and serving such Owner's Unit, subject to the obligation to (i) restore the Party Wall to its previous structural condition at such Unit Owner's sole expense and (ii) use commercially reasonable efforts not to break through the Party Wall into the adjoining Unit, and (iii) use commercially reasonable efforts to minimize any disruption to the activities conducted in the adjoining Unit.

Section 15.5 Repair and Maintenance of Party Wall. The cost of reasonable repair and maintenance of the Party Wall shall be shared equally and jointly by the Owners, provided that the cost of repairs and maintenance of the finished surface of the Party Wall shall be the sole expense of the Owner of the Unit conducting such repairs and maintenance of the finished surface of the Party Wall.

Section 15.6 Damage or Destruction of Party Wall. If the Party Wall is damaged or destroyed, such damage or destruction shall be promptly repaired and reconstructed in accordance with this Article 15. 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. Notwithstanding anything contained above to the contrary, if the negligence or willful act or omission of any Owner or their Permittees (as defined in Section 15.14), shall cause damage to, or destruction of, the Party Wall, such Owner shall bear the entire costs of repair or reconstruction.

Section 15.7 Protection of Party Walls. Notwithstanding any provision of this Article to the contrary, an Owner who by their negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 15.8 Party Wall Easements.

- (a) Each Owner and its respective successors and assigns shall have an easement in that part of the Unit of the other Owner on which the Party Wall is located, or as necessary to access the Party Wall, as may be necessary or desirable to carry out the terms of this Article 15.
- (b) Each Owner and its respective successors and assigns, contractors, licensees, agents, and employees shall have an easement in that part of the Unit of the other Owner as necessary or desirable to repair, restore, or replace the Party Wall.

Section 15.9 Easement for Support. Each Owner shall have a non-exclusive easement for horizontal, vertical, and lateral support of such Owner's Unit, including a non-exclusive easement in and to all structural members, columns, beams, foundations, load bearing walls, and other structural components located in or constituting part of the other Owner's Unit for the support of such Owner's Unit.

Section 15.10 Easements Deemed Appurtenant. The easements, uses, and rights created herein for an Owner shall be appurtenant to its Unit and all conveyances of and other instruments affecting title to a Unit shall be deemed to grant and reserve the easements, uses, and rights provided for herein, even though no specific reference to such easements, uses, and rights appears in any such instrument. Each Owner may use the easement area within its Unit for any purposes permitted in this Declaration not inconsistent with such easement and shall also have the right to temporarily interrupt the use of such easements as may be necessary in order to perform Repair Work to such easements or Unit, provided that the temporary interruption does not materially interfere with the use and occupancy of the other Owner's Unit or the appurtenant

easements, and the interruption is limited to such periods of time, such areas and such scope as are reasonably necessary to perform the Repair Work.

Section 15.11 Approval of Additions or Modifications to Units and Utilities. Each Owner shall be responsible for all maintenance, repair, and replacement work, including costs of plans and specifications, supervision, and other related costs (collectively, "Repair Work") for any Repair Work within its Unit, including the Party Wall located within the boundaries thereof. No Unit Owner shall undertake any work in or around its Unit which would jeopardize the structural integrity, soundness, safety, or operation of the Units, or impair an easement thereon. No Owner shall make any material modifications to the Party Wall, or any Utilities which serve more than such Owner's Unit, until and unless plans and specifications showing the nature, kind, scope, materials, dimensions, locations and engineering aspects of such work (collectively "Plans") shall have been submitted and approved by the other Owner, which approval shall not be unreasonably withheld, conditioned or delayed. The other Owner may refuse to approve any Plans which materially adversely affect the Party Wall or any Utilities that are the subject of any of the easements granted under this Declaration. All such projects shall be performed by reputable contractors experienced in the construction of structures similar to the improvements proposed. The contractors shall carry insurance in such types and amounts as required hereunder, and shall provide the Owners with a certificate of insurance evidencing such insurance and naming the Owners, and first priority mortgagees as additional insureds. Nothing contained herein shall be construed as requiring an Owner to obtain the consent of the other Owner for any space plans, tenant finish work, or other interior modifications which do not affect the Party Wall or any structural components of the Units or the Utilities. Each Owner shall obtain such other insurance during any period of construction covering such risks and in such amounts as is prudent under the circumstances, including builder's risk insurance.

Section 15.12 Approval of Plans. The Owner shall approve or disapprove Plans (including resubmission of disapproved Plans which shall have been revised) within fifteen days after submission (provided that all required information has been submitted). Any disapproval shall be in writing and shall set forth in reasonable detail the nature of the disapproval. If Owner fails to respond in such fifteen day period it shall be deemed to have approved the Plans.

Section 15.13 Liability for Plans. The Owner shall not be liable for damages to the other Owner submitting Plans for approval by reason of mistake in judgment, negligence, gross negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any Plans or in connection with the enforcement of the covenants contained in this Article 15. Each Owner who submits Plans for approval waives any right to and agrees that it will not bring any action or suit against the other Owner to recover any such damages. Approval by an Owner shall not be deemed to constitute any representation or assurance of compliance with the requirements of any applicable laws, including local building codes, and it shall be the sole responsibility of the Owner submitting Plans to comply therewith.

Section 15.14 Repair Work for Utilities. The responsibility to cause Repair Work of private and public utility lines of any type or nature, including but not limited to wires, pipes, conduits, cables, fiber optics, and ducts for utility systems used for cold and hot water, sanitary sewer, storm sewer, grease trap, electricity, security, fire alarm, emergency communications, telephone, television, other telecommunication systems, and other mechanical, electrical and

related life safety systems (collectively, the "Utilities"), shall be that of the Owner of the Unit within which the particular section of the Utility is located. The responsibility to pay for Repair Work for portions of the Utilities appurtenant to more than one Unit, shall be shared equally by the Owners. The Owner benefitted by such Repair Work shall reimburse the Owner who has completed such Repair Work for its one-half share of such costs and expenses within ten days after demand therefore. The foregoing notwithstanding, the burdened Owner may charge the other Owner for all Repair Work for a Utility if such Repair Work was caused by the negligence or intentional act of such Owner or its tenants, sub-tenants, contractors, subcontractors, agents, licensees, and invitees and their respective contractors, subcontractors, agents, licensees, invitees and visitors (collectively, "Permittees").

Section 15.15 Entry Into Units. Any entry by an Owner into the interior of a Unit of another Owner under any easement or other right granted in this Declaration shall be subject to the following terms and conditions: (a) except in the case of emergency, an Owner shall schedule all such entries into and upon any part of the other Owner's Unit so as to minimize the disruption to the Owner and its Permittees to the extent reasonably practicable and, except in the case of emergency, at least three business days prior written notice of such entry shall be given to the other Owner; (b) the Owner into whose Unit entry is being made may require that one or more representatives of Owner accompany the other Owner and its contractors, agents or representatives in any entry into the Unit; (c) the entry shall be limited to such periods of time, such areas of the Unit and such scope as are reasonably necessary to accomplish the permitted purpose for the entry; and (d) promptly upon completion of any work undertaken by or on behalf of an Owner, the affected Unit shall be restored to the condition which existed prior to such entry at the sole cost and expense of the entering Owner.

Section 15.16 Owner Negligence or Misconduct. Notwithstanding anything in this Declaration to the contrary, any costs or expenses incurred in repairing or replacing any improvements on the Units caused by the negligence or willful misconduct of any Owner or its Permittees shall, to the extent not reimbursable by insurance, be paid by such Owner.

Section 15.17 Prior Notice of Repair Work. In the case of any Repair Work to be undertaken by an Owner under this Declaration for which an Owner will or may seek reimbursement from the other Owner, the Owner undertaking the Repair Work shall notify the other Owner that reimbursement will be sought at least three business days in advance of the Repair Work (except in the case of emergency), and such other Owner may arrange for inspection of the item to be repaired at its own expense. If the cost of the Repair Work is more than \$500.00, the Owner responsible to perform the Repair Work may require the other Owner to deposit its share of the estimated costs before commencing the proposed activity.

ARTICLE 16. INSURANCE

Section 16.1. Coverage. Commencing not later than the first conveyance of a Unit to a Purchaser and to the extent reasonably available, the Association shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described herein will not be maintained, the Board of Directors shall promptly cause notice of that fact to be hand-delivered or sent prepaid

by United States mail to all Unit Owners and Eligible First Mortgagees at their respective last known addresses.

- (a) Property Insurance. The Association shall maintain property insurance on the Common Elements, the Exterior Elements and all structural elements of the Buildings 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, exclusive of the interior surfaces of the structural walls, floors, and ceilings of the Units, exclusive of all interior non-structural walls and finishes, and exclusive of all interior, electrical, plumbing, fixtures and equipment, commonly referred to as "studs out" policy.
- (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 persons acting as agents. Unit 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.
- (c) Fidelity Insurance. The Association may maintain fidelity insurance in an amount equal to not less than two 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 a policy of fidelity insurance obtained by the Association as 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 Unit Owners.

Section 16.2. Required Provisions. All insurance policies carried pursuant to the requirements of this Article must provide that:

- (a) each Unit Owner is an insured person under the policy with respect to liability arising out of such Unit Owner's membership in the Association;
- (b) the insurer waives its rights to subrogation under the policy against any Unit Owner or member of his household or, if such Unit Owner is an entity, any principal or officer of such entity;

- (c) no act or omission by any Unit Owner, unless acting within the scope of such Unit 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 a Unit 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 Unit Owner or holder of a Security Interest; and
- (h) the insurer issuing the policy may not cancel or refuse to renew it until thirty days after notice of the proposed cancellation or non-renewal has been mailed to the Association and any Unit Owner(s) to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

Section 16.3. 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 Unit 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 Unit Owner a pro-rata share of any deductible paid by the Association.

Section 16.4. Unit Owners' Policies. Each Unit Owner, at his own cost, shall obtain and maintain, at all times, property insurance on such Owner's Unit for broad form covered causes of loss in an amount not less than full insurable replacement cost of the insured property, with a deductible in an amount no greater than the Board of Directors may from time to time determine to be appropriate, which policy of insurance shall cover all of the Unit except for that portion, if any, of the Unit insured by the Association pursuant to Section 16.1(a) above, which coverage is commonly referred to as a "studs in" policy, and covering such Owner's liability for claims and liabilities arising in connection with the ownership of the Unit or use of the Unit with such limit as the Association reasonably may 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 Unit Owner. Each Unit Owner shall provide proof of coverage for the insurance required by this Section 16.4 to the Association at least annually and upon request of the Association, and in the event that an Owner fails to provide such proof upon request of the Association, the Association may obtain such insurance on such Owner's behalf and, in such event, the cost of obtaining such insurance shall be reimbursed to the Association within fifteen

(15) days of demand therefore, and if such sum is not so paid, shall become a default Assessment pursuant to Section 10.7 above.

Section 16.5 Policies Regarding Insurance. The Owners of Units representing no less than sixty seven percent of the votes in the Association may adopt Rules, Regulations and Policies pertaining to the insurance to be carried by the Association and the Owners, and all matters relating thereto, including modifications to the provisions of Article 16 above, without amending this Declaration.

ARTICLE 17. RESTORATION UPON DAMAGE OR DESTRUCTION

Section 17.1. Duty to Restore. Any portion of the Project for which insurance is required under the Act or for which insurance carried by the Association and the Owners is in effect that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) the Project is terminated;
- (b) repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety;
- (c) eighty percent of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild; or
- (d) 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 Real Estate in the Project shall be sold and the proceeds distributed pursuant to the procedures provided for in the Act for termination of planned communities.

Section 17.2. Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense to be allocated in accordance with Section 10.4(c).

Section 17.3. 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 Unit Owners.

Section 17.4. Replacement of Less Than Entire Property. If the entire Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements and Units 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 and Limited Common Elements that are not rebuilt must be distributed to the Unit Owner of the Unit and the Unit

Owner of the Unit to which the Limited Common Elements were allocated, or to holders of Security Interests, as their interests may appear;

- (b) the remainder of the proceeds must be distributed to each Unit Owner or holders of Security Interests, as their interests may appear, in proportion to the Allocated Interests of all the Units; and
- (c) if the Unit 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 17.5. 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, Unit Owners and holders of Security Interests as their interest may appear. Subject to the provisions of Sections 17.1 and 17.4 above, the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Unit 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 17.1 and 17.4 above.

Section 17.6. Certificates by the Board of Directors. The insurance trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

- (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 17.7. Certificates by Attorneys or Title Insurance Companies. If payments are to be made to Unit 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 Unit Owners and the holders of Security Interest.

Section 17.8. Right of First Refusal. In the event of a sale of the Real Estate constituting the Project allowed or required by Subparagraph (a), (b) or (c) of Section 17.1 above or in the event of a sale by the holder of a Security Interest pursuant to Subparagraph (d) of Section 17.1 above, the Association or the holder of the Security Interest receiving a bona fide offer for the purchase of the Real Estate shall give prompt written notice to Declarant of such offer, the name and address of the proposed purchaser, a copy of the offer, and such other information on the proposed transaction as Declarant may reasonably request. Declarant shall then have the right to purchase the Real Estate on the same terms and conditions as contained in such bona fide offer except that the Declarant shall have not less than thirty days to evaluate whether or not to exercise this right of first refusal and any purchase offer for the Real Estate

shall specifically provide that period of time to the Declarant or the sale of the Real Estate shall not be made free and clear of this right of first refusal. Declarant, within said thirty day period, shall notify the Association or the holder of the Security Interest of its intention to exercise the right to purchase the Real Estate. If Declarant does not give notice of its intent to exercise this right of first refusal within said thirty day period, then the Association or the holder of the Security Interest shall be free to accept the bona fide offer and sell the Real Estate free and clear of this right of first refusal. The rights of Declarant under this Section 17.8 shall expire and be of no further force or effect on the tenth anniversary of the recording of this Declaration in the real property records of Summit County, Colorado.

ARTICLE 18. CONDEMNATION

If all or part of the Project is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with the provisions on eminent domain in the Act.

ARTICLE 19. MORTGAGEE PROTECTIONS

Section 19.1. Introduction. This Article establishes certain standards and covenants which are for the benefit of First Mortgagees. This Article is supplemental to, and not in substitution for, any other provisions of this Declaration, but in the case of any conflict, this Article shall control.

Section 19.2. Percentage of First Mortgagees. Unless specifically provided otherwise, wherever in this Declaration the approval or consent of a specified percentage of First Mortgagees is required, it shall mean the approval or consent of fifty-one percent of First Mortgagees. Each First Mortgagee shall be entitled to one vote for each Security Interest held by such First Mortgagee.

Section 19.3. Notice of Actions. If requested in writing to do so, the Association shall give prompt written notice of the following to each First Mortgagee making such request:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Common Elements or any Unit in which an interest is held by the Eligible First Mortgagee;
- (b) any delinquency in the payment of Assessments which remains uncured for sixty days by a Unit owner whose Unit is encumbered by a Security Interest held by such Eligible First Mortgagee;
- (c) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) any proposed action which would require the consent of First Mortgagees as set forth in this Article; and
- (e) any judgment rendered against the Association.

Section 19.4. Consent Required. The Association may not take any of the following actions, except as such rights have been specifically reserved by Declarant under the provisions of this Declaration, without the consent of fifty-one percent of the First Mortgagees:

- (a) conveyance or encumbrance of the Common Elements (provided, however, that the granting of easements for public utilities, for construction and maintenance of improvements within the Project, or for other purposes provided for in this Declaration will not be deemed a transfer within the meaning of this clause);
- (b) restoration or repair of the Project (after hazard damage or partial condemnation) in a manner other than that specified in this Declaration;
- (c) termination of this Declaration for reasons other than substantial destruction or condemnation, subject to the approval percentages required for such termination;
- (d) merger of the Project with any other common interest community; or
- (e) any action not to repair or replace the Units or the Common Elements except as permitted in this Declaration.

Section 19.5. Notice of Objection. Unless a First Mortgagee provides the Secretary of the Association with written notice of its objection, if any, to any proposed amendment or action requiring the approval of First Mortgagees within thirty days following the receipt of notice of such proposed amendment or action, the First Mortgagee will be deemed conclusively to have consented to or approved the proposed amendment or action.

Section 19.6. First Mortgagee's Rights. Each First Mortgagee shall have the right, but not the obligation:

- (a) jointly or singly, to pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements or improvements thereon, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Elements, and, after making such payments, shall be owed immediate reimbursement from the Association; and
- (b) to cure any delinquency of the Unit Owner, whose Unit is encumbered by a first mortgage, in the payment of Assessments, in which event, the First Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

Section 19.7. Limitations on First Mortgagee's Rights. No requirement for approval or consent by a First Mortgagee provided in this Article shall operate to:

- (a) deny or delegate control over the general administrative affairs of the Association by the Unit Owners or the Board of Directors;

- (b) prevent the Association or Board of Directors from commencing, intervening in, and/or settling any legal proceeding; or
- (c) prevent any insurance trustee or the Association from receiving and distributing any insurance proceeds in accordance with the requirements of the Article entitled "Restoration Upon Damage or Destruction."

ARTICLE 20. DURATION OF COVENANTS; AMENDMENT AND TERMINATION

Section 20.1. 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 20.2. Amendment of Declaration. Except to the extent that this Declaration expressly permits or require amendments that may be executed by the Association and except for amendments made pursuant to Sections 3.3 and 13.1 of this Declaration, this Declaration (including the Map) may be amended only by a vote or agreement of Unit Owners to which at least sixty-seven percent of the votes in the Association are allocated.

Section 20.3. 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 the sole responsibility of: (a) any Unit Owners desiring an amendment as provided for in this Declaration or the Act; and (b) in all other cases by the Association as a Common Expense.

Section 20.4. 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 Declarant or the Secretary of the Association stating that the required vote of Unit Owners, if any, and required consents of First Mortgagees and/or Eligible First Mortgagees, as applicable, were obtained and are on file in the office of the Association. The amendment shall be indexed in the Grantee's Index in the name of the Project and the Association and in the Grantor's Index in the name of each person or entity executing the amendment.

Section 20.5. Rights of Eligible First Mortgagees. To the extent allowed by the Act, Eligible First Mortgagees shall have the rights to approve specified actions of the Unit Owners or the Association as a condition to the effectiveness of those actions as provided in the Article entitled "Mortgagee Protections."

Section 20.6. Termination of the Project. The Project may only be terminated as provided in the Act.

ARTICLE 21. MISCELLANEOUS

Section 21.1. 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 aggrieved Unit Owner, or the Association against the Association or any Unit Owner. 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 21.2. Nonwaiver. Failure by the Association, or any Unit Owner, Occupant or Eligible First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, rights-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 thereafter.

Section 21.3. 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 21.4. 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 21.5. 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 21.6. Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the Articles of Incorporation of the Association or the Bylaws, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the Bylaws, the Articles of Incorporation of the Association shall control.

Section 21.7. Exhibits. All the Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

Section 21.8. Choice of Law. This Declaration shall be construed and interpreted in accordance with the laws of the State of Colorado.

Executed as of the 19th day of JUNE, 2013.

207 MAIN, LLC
a Colorado limited liability company
By: EEI Management, Inc.,
its Manager

By: [Signature]
Jeffrey Progar, Vice President

STATE OF COLORADO)
City &) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 19th day of June, 2013 by Jeffrey Progar as Vice President of EEI Management, Inc., Manager of 207 Main, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.
My commission expires 8/11/15

[Signature]
Notary Public



My Commission Expires 8/11/2015

**EXHIBIT A
TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
BISON CROSSING**

Legal Description of Property

ALL OF LOT 67, BARTLETT AND SHOCK ADDITION TO THE TOWN OF BRECKENRIDGE, COUNTY OF SUMMIT, STATE OF COLORADO, ACCORDING TO THE LOT VACATION PLAT OF LOTS 67 AND 68, BARTLETT AND SHOCK ADDITION TO THE TOWN OF BRECKENRIDGE RECORDED NOVEMBER 25, 2008 AT REC. NO. 901022 IN THE COUNTY RECORDS AND CONTAINING 9,867 SQUARE FEET OR 0.227 ACRES.

**EXHIBIT B
TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
BISON CROSSING**

Table of Allocated Interests

<u>Unit</u>	<u>Address</u>	<u>Floor Area (Sq. Ft.)</u>	<u>Allocated Interest</u>
1	211 A North Main Street	1804	23.10%
2	209 A North Main Street	2563*	32.83%
3	209 B North Main Street	836*	10.71%
4	209 North Main Street	720**	9.22%
5	211 North Main Street	1885	24.14%
	TOTALS	7808	100.00%

*includes garage

**includes basement

EXHIBIT C
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
BISON CROSSING

Covenants, Easements and Licenses of Record

1. RESERVATIONS OF (1) RIGHT OF PROPRIETOR OF A VEIN OR LODGE TO EXTRACT AND REMOVE HIS ORE THEREFROM SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES; AND (2) RIGHT OF WAY FOR ANY DITCHES AND CANALS CONSTRUCTED BY AUTHORITY OF THE UNITED STATES, IN U.S. PATENT RECORDED FEBRUARY 22, 1889 IN BOOK 47 AT PAGE 417.

2. NOTES, DEDICATIONS AND EASEMENTS AS SET FORTH ON THE PLAT FOR BARTLETT AND SHOCK ADDITION TO THE TOWN OF BRECKENRIDGE RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF SUMMIT COUNTY.

3. GRANT OF UTILITY EASEMENT TO THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY RECORDED AUGUST 16, 1988 UNDER RECEPTION NO. 357564.

4. NOTES AND EASEMENTS AS SHOWN ON THE LOT LINE ADJUSTMENT PLAT OF BARTLETT AND SHOCK ADDITION TO THE TOWN OF BRECKENRIDGE RECORDED SEPTEMBER 26, 1988 UNDER RECEPTION NO. 359553.

5. TERMS, AGREEMENTS, PROVISIONS, CONDITIONS AND OBLIGATIONS AS CONTAINED IN UTILITY EASEMENT RECORDED IN THE RECORDS AUGUST 16, 1988 AT RECEPTION NO. 357563.

6. RESTRICTIVE COVENANT AND AGREEMENT (EMPLOYEE HOUSING) RECORDED IN THE RECORDS OCTOBER 28, 2008, AT RECEPTION NO. 899394.

7. RESTRICTIVE COVENANT AND AGREEMENT (LANDSCAPING) RECORDED IN THE RECORDS OCTOBER 28, 2008, AT RECEPTION NO. 899395.

8. NOTES, DEDICATIONS AND EASEMENTS AS SET FORTH ON THE PLAT FOR A LOT VACATION PLAT OF LOTS 67 AND 68 RECORDED NOVEMBER 25, 2008 UNDER RECEPTION NO. 901022.

9. TERMS, CONDITIONS AND PROVISIONS OF PUBLIC SERVICE COMPANY OF COLORADO EASEMENT RECORDED JULY 13, 2009 AT RECEPTION NO. 917809.