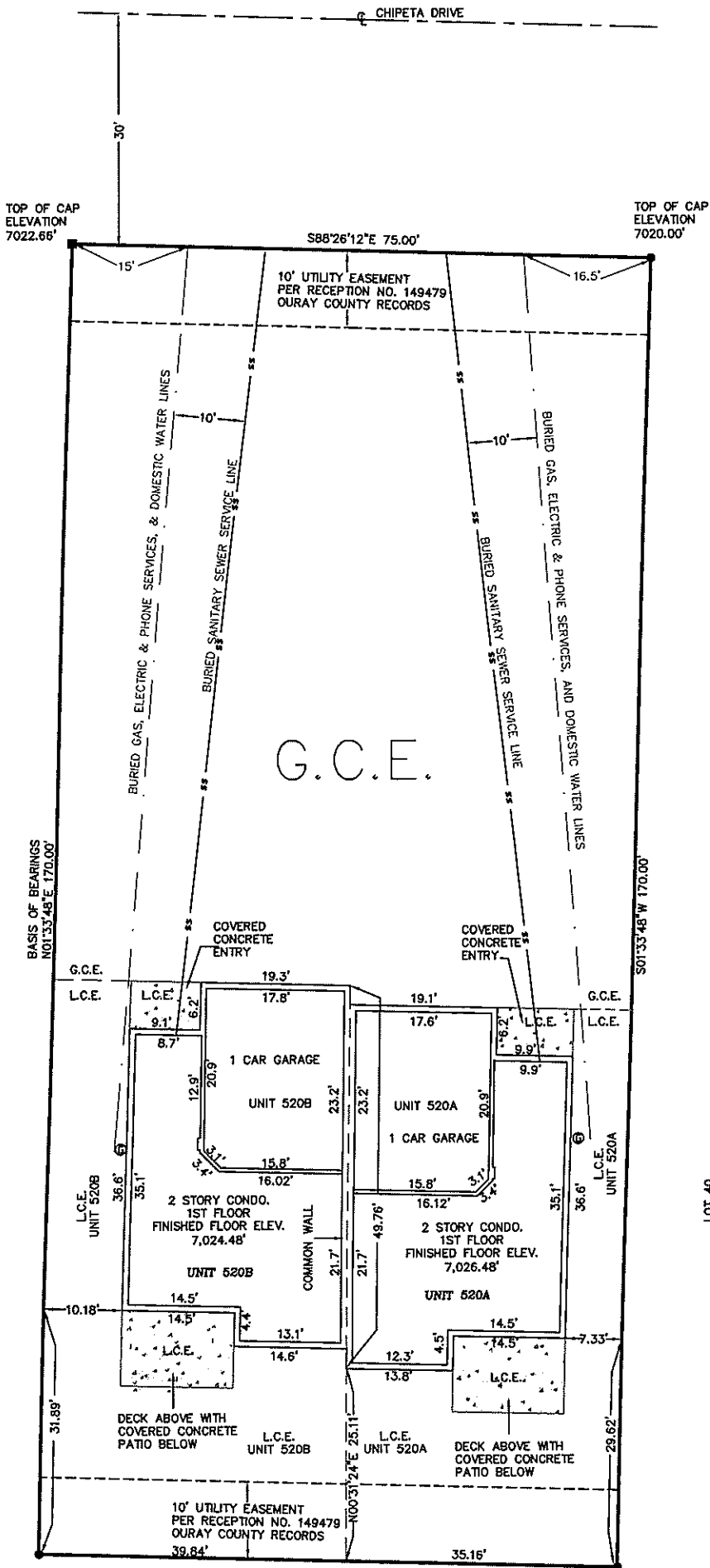


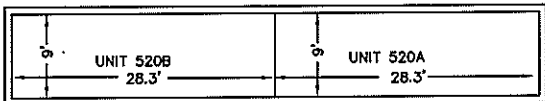
CHIPETA HOUSE CONDOMINIUMS

A CONDOMINIUM MAP AND SUBDIVISION OF LOT 39, SOLAR RANCHES FILING NO. 1
TOWN OF RIDGWAY, OURAY COUNTY, COLORADO

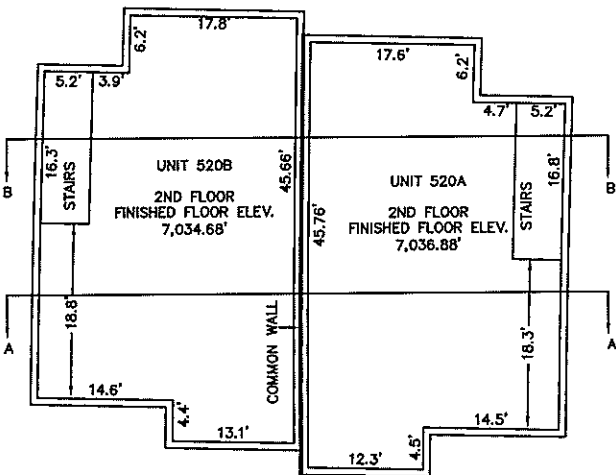


NOTE:
BOTH UNITS ARE APPROXIMATELY
1,800 SQ. FT.

FIRST FLOOR ELEVATION VIEW



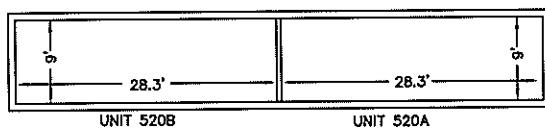
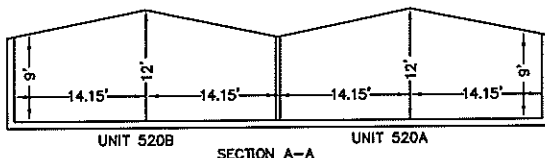
SECOND FLOOR



LINEAL UNITS: U.S. SURVEY FOOT
SCALE: 1" = 10'

ELEVATION DATUM
GPS OBSERVATION

SECOND FLOOR ELEVATION VIEW



CERTIFICATE OF OWNERSHIP AND DEDICATION

KNOW ALL MEN BY THESE PRESENTS that the undersigned, being the owner(s) of certain lands in the Town of Ridgway, Colorado, to wit: Lot 39, Filing No. 1, Solar Ranches, County of Ouray, State of Colorado.

Have by these presents laid out, platted and subdivided the same into lots, as shown on this plat, under the name of CHIPETA HOUSE CONDOMINIUMS and do hereby dedicate to the owner of the respective units as shown hereon, a blanket drainage and utility easement over and across all of the General Common Elements (GCE) and Limited Common Elements (LCE) as shown hereon, for the use of public utility suppliers, for installation and maintenance of utility facilities, including but not limited to, electric lines, gas lines, telephone lines, cable television lines, water and sewer lines, irrigation lines and ditches, together with perpetual right of ingress and egress for installation maintenance and replacement of such lines. Said easements and rights shall be utilized in a reasonable and prudent manner.

Private easements are reserved or conveyed for purposes as indicated on the plat.

Executed this _____ day of _____, A.D. 2019.

OWNERS: DON ROGERS & PAULA JAMES

Don Rogers Paula James

STATE OF COLORADO }
COUNTY OF _____ } ss.

The foregoing Certificate of Ownership and Dedication was acknowledged before me this _____ day of _____, A.D. 2019, by Don Rogers and Paula James.

Witness my hand and official seal. My Commission expires _____

Notary Public

SURVEYOR'S CERTIFICATE

I, William D. Wiley, hereby certify that this plat was prepared under my direct supervision and that said survey is accurate to the best of my knowledge, conforms to all requirements of the Colorado Revised Statutes, and all applicable Town of Ridgway regulations, and that all required monuments have been found as shown.

William D. Wiley Date
Colorado Registered Land Surveyor
License No. 12180

ATTORNEY'S CERTIFICATE

I, _____ an attorney at law duly licensed to practice before the courts of record of Colorado, do hereby certify that I have examined the title of all land herein platted and that title to such land is in the dedicator(s) and owners, and that the property dedicated hereon has been dedicated free and clear of all liens and encumbrances.

Dated this _____ day of _____, A.D., 2019.

Attorney at Law

PLANNING COMMISSION

Approved by the Ridgway Town Planning Commission this _____ day of _____, A.D. 2019,
by _____, Chairman.

TOWN COUNCIL

Approved by the Ridgway Town Council this _____ day of _____, A.D. 2019,
by _____, Mayor.

TOWN ATTORNEY'S CERTIFICATE

Approved for recording this _____ day of _____, 2019.

Town Attorney

TREASURER'S CERTIFICATE

I certify that as of the _____ day of _____, 2019, there are no delinquent taxes due, nor are there any tax liens, against the property described herein or any part thereof, and that all current taxes and special assessments have been paid in full.

Date: _____
Ouray County Treasurer

CERTIFICATE OF IMPROVEMENTS

The undersigned, Town Manager of the Town of Ridgway, certifies that all required improvements are installed, available and adequate to serve each lot.

Date: _____

Town Manager: _____

RECORDER'S CERTIFICATE

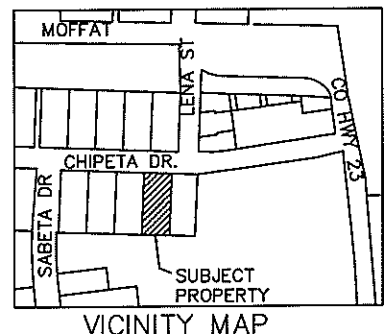
This plat was filed for record in the office of the Clerk and Recorder of Ouray County at _____ m. on the _____ day of _____, A.D. 2019,

under Reception No. _____

Ouray County Clerk & Recorder

PLAT NOTES

- All outdoor lighting fixtures shall comply with Town of Ridgway regulations.
- The property platted herein, other than streets or other tracts dedicated to the Town, is subject to the Condominium Declaration of Chipeta House Condominiums as recorded in the Ouray County Records at Reception No.
- The property platted hereby is subject to the plat notes as recorded in Filing No. 1, Solar Ranches as recorded in the Ouray County Records at Reception No. 149479 and the Declarations of Protective Covenants, Conditions and Restrictions of Solar Ranches Filing No. 1 as recorded in the Ouray County Records at Reception No. 149494 as may be amended from time to time.
- The property platted herein is subject to the prior easements as shown hereon, as recoded in the Ouray County Records at Reception No. 149479.
- The maximum number of dwelling units allowed is two (2).



VICINITY MAP

"NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon."

CF: LOT SPLIT
Plot Scale 1"=10'
Book 720 Page 63

DATE 4/24/19

REVISIONS:
5/29/19 TOWN OF RIDGWAY REV.
9/7/19 UTILITY LINES/AC. MAP
9/12/19 TOWN OF RIDGWAY REV.

CHIPETA HOUSE CONDOMINIUMS

A CONDOMINIUM MAP AND SUBDIVISION OF LOT 39,
SOLAR RANCHES FILING NO. 1
TOWN OF RIDGWAY, OURAY COUNTY, COLORADO

FOR: DON ROGERS

MESA SURVEYING ASSOCIATES INC.
P.O. Box 1287 (970)-240-9994 Montrose, CO 81402

Sheet 1 of 1 File No. 19-40

**CONDOMINIUM DECLARATION OF
CHIPETA HOUSE CONDOMINIUMS**

THIS CONDOMINIUM DECLARATION OF CHIPETA HOUSE CONDOMINIUMS (the "Declaration") is made as of _____, 2019, by **PAULA JAMES** and **DONALD JAMES ROGERS** (the "Declarants").

RECITALS

A. Declarant is owner of that certain real property located in the County of Ouray, Colorado, referred to hereafter as the Property more particularly described as:

Lot 39, Solar Ranches Filing No. 1, a Re-subdivision of Outlot A, Savath Subdivision, according to the recorded plat filed September 3, 1991, at Reception No. 149479, Amendment thereto February 29, 1996, at Reception No. 161333, Town of Ridgway, County of Ouray, State of Colorado, also known by street and number at 520 A and 520 B Chipeta Drive, Ridgway CO 81432.

B. Declarant has improved the said Property by constructing on it a two-Unit, multi-family structure (duplex) known as **Chipeta House Condominiums ("CHC")**. Declarant desires to convert the Property to a common interest community pursuant to the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statute § 38-33.3-101 et. seq. (the "Act"), the name of which is **CHIPETA HOUSE CONDOMINIUMS**.

ARTICLE 1
DECLARATION AND SUBMISSION

Section 1.1 *Declaration.* Declarant hereby declares that the Property shall be held, sold and conveyed subject to the following covenants, restrictions and easements which shall run with the land and be binding on all parties and heirs, successors and assigns of parties having any right, title or interest in all or any part of the Property. Additionally, Declarant hereby submits the Property to the provisions of the Act.

Section 1.2 *Property Subject to Pre-existing Declaration.* The Property was, prior to the date of this Declaration, and shall remain in perpetuity subject to all Covenants, Conditions, Restrictions, Easements, Plat Notes and other matters stated in all of the following documents:

1. The Declaration of Protective Covenants, Conditions and Restrictions recorded in the public records for Ouray County Colorado on September 4, 1991 at Reception No. 149494 (Hereafter called the Solar Ranch 1&2 Declaration) and all amendments thereto duly created and recorded subsequently in said public records;

2. The Plat Map recorded in the public records for Ouray County, Colorado on September 3, 1991 at reception No. 149479, and all amendments thereto duly created and recorded in said public records;

3. All Articles of Incorporation, Bylaws, Policies, Director Resolutions, Architectural Guidelines, Rules and Regulations, and all amendments thereto, for the that certain Colorado Non-Profit Corporation known and registered on September 3, 1996 with the Colorado Secretary of State as **Solar Ranches (Filing Nos. 1 & 2A) Homeowners' Association, Inc.**

ARTICLE 2 **DEFINITIONS**

The following words when used in this Declaration or any Supplemental Declaration shall have the following meanings:

Section 2.1 *"Agency"* means any agency or corporation such as Housing and Urban Development, Veteran's Administration, Federal National Mortgage Association ("FNMA") or Federal Home Loan Mortgage Corporation ("FHLMC"), that purchases or insures residential mortgages.

Section 2.2 *"Allocated Interests"* means the undivided interest in the Assessments and votes in the Association. Such Allocation shall be fifty percent per Unit. The formulas for the Allocated Interests are as follows:

2.2.1 *Percentage Share of Common Elements and Common Expenses for each Unit:* the total of all allocated interests divided by the total number of Units.

2.2.2 *"Voting"*: One vote per Unit on all matters, except that Cummulative voting shall be employed for the election of Executive Board Members.

Section 2.3 *"Articles"* mean the Articles of Incorporation for **CHIPETA HOUSE CONDOMINIUM ASSOCIATION, Inc. a Colorado non-profit corporation**, to be registered with the Colorado Secretary of State prior to sale of any of the Units, and any amendments that may be made to those Articles from time to time.

Section 2.4 *"Annual Assessment"* means the Assessment levied pursuant to an annual budget.

Section 2.5 *"Assessments"* means the Annual, Special and Default Assessments levied pursuant to Article 10 below. Assessments are also referred to as a Common Expense Liability as defined under the Act.

Section 2.6 *"Association"* means CHIPETA HOUSE CODOMINIUM ASSOCIATION, Inc., a Colorado nonprofit corporation, and its successors and assigns.

Section 2.7 *"Association Documents"* means this Declaration, the Articles of Incorporation, the Bylaws, the Map and any procedures, rules, regulations or policies adopted under such documents by the Association.

Section 2.8 *"Bylaws"* means the Bylaws adopted by the Association, as amended from time to time.

Section 2.9 *"Clerk and Recorder"* means the office of the Clerk and Recorder in the County of Ouray, State of Colorado.

Section 2.10 *"Common Element"* means all portions of the Project except the Units. The Common Elements are owned by the Owners in proportion to the Allocated Interest associated with each Owner's Unit, and consist of General Common Elements and Limited Common Elements.

2.10.1 *"General Common Elements"* means all tangible physical properties of this Project except Limited Common Elements, and the Units; notwithstanding any other provision of this Declaration, General Common Elements includes but is not limited to all fences on the Property, all crawl spaces, wall studs, roofs, fire walls, decks, railings and posts for decks and for front porches, and all stucco

2.10.2 *"Limited Common Elements"* means those parts of the Common Elements which are either limited to or reserved in this Declaration, on the Map or by action of the Association, for the exclusive use of an Owner of a Unit.

Section 2.11 *"Common Expenses"* means (i) all expenses expressly declared to be common expenses by this Declaration or the Bylaws of the Association; (ii) all other expenses of administering, servicing, conserving, managing, maintaining, repairing or replacing the General Common Elements; (iii) insurance premiums for the insurance carried under Article 9; and (iv) all expenses lawfully determined to be common expenses by the Executive Board.

Section 2.12 *"County"* means the County of Ouray, Colorado.

Section 2.13 *"Declaration"* means this Declaration and the Map, and amendments and supplements to the foregoing.

Section 2.14 *"Executive Board"* means the governing body of the Association.

Section 2.15 *"First Mortgage"* means any Mortgage that is not subject to any monetary lien or encumbrance except liens for taxes or other liens that are given priority by statute.

Section 2.16 *"First Mortgagee"* means any person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

Section 2.17 *"Manager"* means a person or entity, *if any*, engaged by the Association to perform certain duties, powers or functions of the Association, as the Executive Board may authorize from time to time.

Section 2.18 *"Map"* means the Condominium Map of the Project recorded with the Clerk and Recorder for the County of Ouray, State of Colorado, at Reception No. _____. The Map depicts a plan and elevation schedule of all or a part of the Property subject to this Declaration and any supplements and amendments thereto.

Section 2.19 *"Member"* means every person or entity that holds membership in the Association.

Section 2.20 *"Mortgage"* means any mortgage, deed of trust or other document pledging any Unit or interest therein as security for payment of a debt or obligation.

Section 2.21 *"Mortgagee"* means any person named as a mortgagee or beneficiary in any Mortgage, or any successor to the interest of any such person under such Mortgage.

Section 2.22 *"Owner"* means the owner of record, whether one or more persons or entities, of fee simple title to any Unit, and "Owner" also includes the purchaser under a contract for deed covering a Unit with a current right of possession and interest in the Unit.

Section 2.23 *"Project"* means the common interest community created by this Declaration and as shown on the Map, consisting of the Property, the Units and the Common Elements.

Section 2.24 *"Unit"* means one individual airspace which is contained within the perimeter windows, doors and unfinished surfaces of perimeter walls, floors and ceilings as shown on the Map, together with the appurtenant interest in the Common Elements.

Section 2.25 *"Successor Declarant"* means any person or entity to whom Declarant assigns any or all of its rights, obligations or interest as Declarant, as evidenced by an assignment or deed of record executed by both Declarant and the transferee or assignee and recorded with the Clerk and Recorder.

Section 2.26 *"Supplemental Declaration"* means an instrument which amends this Declaration.

Section 2.27 *"Supplemental Map"* means a supplemental Map of the Project which depicts any change in the Project through a Supplemental Declaration.

Section 2.28 *"Solar Ranch 1 and 2A HOA" and "SR 1&2 HOA"* both mean the **Solar Ranches (Filing Nos. 1 & 2A) Homeowners' Association, Inc.**, a Colorado Non-Profit Corporation duly registered with the Secretary of State for the State of Colorado. The governing documents of Solar Ranch 1 and 2A HOA allot to the owner of the Property a single vote on all matters on which members of the Solar Ranch 1 and 2A HOA are required or entitled to vote. Said single vote shall in all cases be exercised by mutual agreement of the Owners or, in case of any disagreement over exercise of said vote, by majority vote of the Executive Board.

Each capitalized term not otherwise defined in this Declaration or in the Map shall have the same meanings specified or used in the Act.

ARTICLE 3 **NAME, DIVISION INTO UNITS**

Section 3.1 *Name.* The name of the Project is Chipeta House Condominiums. The Project is a Condominium pursuant to the Act.

Section 3.2 *Association.* The name of the Association is Chipeta House Condominium Association, Inc. Declarant has caused the Association to be incorporated as a non-profit corporation under the laws of the State of Colorado.

Section 3.3 *Number of Units.* The maximum number of Units in the Project is two (2), unless the number is increased by a Supplemental Declaration.

Section 3.4 *Identification of Units.* The identification number of each Unit is shown on the Map.

Section 3.5 *Description of Units; Use.*

3.5.1 Each Unit and the appurtenant interest in the Common Elements and the appurtenant use of Limited Common Elements, shall comprise one Unit, shall be inseparable and may be transferred, leased, devised or encumbered only as a Unit. The boundaries of each Unit are depicted on the Map and generally described as:

A. Upper Boundaries. The horizontal plane of the unfinished lower surface of the ceilings, extended to an intersection with the vertical perimeter boundaries.

B. Lower Boundaries. The horizontal plane of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries.

C. Vertical Perimeter Boundaries. The planes defined by the center or middle plane of the fire wall between adjoining Units, the unfinished exterior surfaces of poured concrete

or other exterior walls, and the interior surface of closed exterior windows and doors.

D. Inclusions. Each Unit includes the spaces and improvements lying within the boundaries described above as depicted on the survey map. Each Unit also includes the spaces and improvements containing utility meters, water heating facilities, all electrical switches, wiring, pipes, ducts, conduits, smoke detector or security systems and communications, television, telephone and electrical receptacles and boxes serving that Unit exclusively, the surface of these items being the boundaries of that Unit, whether or not the spaces are contiguous. Each Unit owner shall be required to purchase, install and maintain, at the Unit owner's expense, such separate utility meters as may be required to service such Unit.

E. Utility Lines. Each Unit owner shall be solely responsible for the utility lines running from the street to that Unit.

F. Non-Contiguous Portions. If any Unit includes special portions or pieces of equipment, such as air-conditioning compressors, utility meters, meter boxes, utility connection structures, air or gas pump and storage facilities and storage structures, air or gas pump and storage facilities and storage portions, which are situated in buildings or structures that are detached from the Unit, such special equipment or storage portions are a part of the Unit, notwithstanding their non-contiguity with the principal portions .

3.5.2 Any instrument affecting a Unit may describe it by its Unit number, CHIPETA HOUSE CONDOMINIUMS, County of Ouray, State of Colorado, according to the Map thereof recorded at Reception No. _____, and the Declaration recorded at Reception No. _____, in the records of the Clerk and Recorder of the County of Ouray, Colorado, as amended from time to time.

3.5.3 Each Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Unit shall be used and occupied solely for residential purposes.

Section 3.6 *Limited Common Elements*. Notwithstanding any other provision of this Declaration, Limited Common Elements appurtenant to any one Unit shall include all exterior doors (including front, back, garage and screen doors), windows, solar panels, patio concrete, front porch concrete, back yards and side yards appurtenant to, immediately adjacent to or benefiting only that Unit.

ARTICLE 4 **MEMBERSHIP AND VOTING RIGHTS; ASSOCIATION OPERATIONS**

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

Section 4.2 *Transfer of Membership*. An Owner shall not transfer, pledge or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Unit and then only to the purchaser or Mortgagee of his Unit. The Association shall not create a right of first refusal on any Unit and Unit Owners may transfer ownership of their Units free from any such right.

Section 4.3 *Membership*. The Association shall have one (1) class of membership consisting of all Owners, including the Declarant so long as Declarant continues to own an interest in a Unit. Except as otherwise provided for in this Declaration, each Member shall be entitled to one vote on all Association matters as set forth in Section 2.2.2 above. Each Owner, including Declarant while Declarant owns any Unit, is subject to all the rights and duties assigned to Owners under the Association Documents.

Section 4.4 *Declarant Control*. The period of Declarant Control shall commence upon formation of the Association and shall terminate upon conveyance of both units to other owners, or 2 years following the sale of a unit to any owner other than the Declarant, whichever is sooner. Except as otherwise provided below in this Section 4.4, during the period of Declarant Control, Declarant shall be entitled to appoint and remove all members of the Association's Executive Board and officers of the Association. Notwithstanding the foregoing, not later than sixty days after conveyance of one of the units to unit owners other than a declarant, not less than one-third (1/3) of the members of the executive board must be elected by unit owners other than the declarant.

Section 4.5 *Books and Records*. The Association shall make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and to Mortgagees, current copies of the Association Documents and the books, records and financial statements of the Association prepared pursuant to the Bylaws. The Association may charge a reasonable fee for copying such materials.

Section 4.6 *Manager*. The Association may but is not required to employ or contract for the services of a Manager to whom the Executive Board may delegate certain powers,

functions or duties of the Association, as provided in the Bylaws of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Executive Board.

Section 4.7 *Rights of Action.* The Association on behalf of itself and any aggrieved Unit Owner shall be granted a right of action against any and all Unit Owners for failure to comply with the provisions of the Association Documents, or with decisions of the Executive Board made pursuant to authority granted to the Association in the Association Documents. The Unit Owners shall have a right of action against the Association for failure to comply with the provisions of the Association Documents, or with decisions of the Executive Board made pursuant to authority granted to the Association in the Association Documents. In any action covered by this section, the Association or any Unit Owner shall have the right but not the obligation to enforce the Association Documents by any proceeding at law or in equity, or as set forth in the Association Documents, or by mediation or binding arbitration if the parties so agree. The prevailing party in any arbitration or judicial relief shall be entitled to reimbursement from the non-prevailing party or parties, for all reasonable costs and expenses, including attorneys' fees in connection with such arbitration or judicial relief. Failure by the Association or by any Owner to enforce compliance with any provision of the Association Documents shall not be deemed a waiver of the right to enforce any provision thereafter.

Section 4.8 *Implied Rights and Obligations.* The Association may exercise any right or privilege expressly granted to the Association in the Association Documents by the Act and by the Colorado Nonprofit Corporation Act.

Section 4.9 *Notice.* Any notice to an Owner of matters affecting the Project by the Association or by another Owner shall be sufficiently given if in writing and delivered personally, by courier or private service delivery, or the third business day after deposit in the mails for registered or certified mail, return receipt requested, at the address of record for real property tax assessment notices with respect to that Owner's Unit.

ARTICLE 5
POWERS, COMPOSITION, APPOINTMENT OF AND MANNER OF ACTING BY
THE EXECUTIVE BOARD OF THE ASSOCIATION

5.1 *Powers* - Except as provided in the By-laws and the Act, the Executive Board may act in all instances on behalf of the Association, to:

5.1.1 Adopt and amend bylaws and rules and regulations;

5.1.2 Adopt and amend budgets for revenues, expenditures and reserves and collect Assessments;

5.1.3 Hire and terminate managing agents and other employees, agents and independent contractors;

- 5.1.4 Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Project;
- 5.1.5 Make contracts and incur liabilities;
- 5.1.6 Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- 5.1.7 Cause additional improvements to be made as a part of the Common Elements;
- 5.1.8 Acquire, hold, encumber and convey in the name of the Association any right, title or interest to real or personal property, except that Common Elements may be conveyed or subjected to a security interest only if Members entitled to cast at least fifty-one percent (51%) of the votes agree to that action and if all Owners of Units to which any Limited Common Element is allocated agree in order to convey that Limited Common Element or subject it to a security interest;
- 5.1.9 Grant easements, leases, licenses and concessions through or over the Common Elements;
- 5.1.10 Impose and receive any payments, fees or charges for the use, rental or operation of the General Common Elements;
- 5.1.11 Impose charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the power of the Association, regardless of whether or not suit was initiated, and after notice and opportunity to be heard, levy reasonable fines for violations of the Association Documents;
- 5.1.12 Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid Assessments;
- 5.1.13 Provide for the indemnification of its officers and Executive Board and maintain directors' and officers' liability insurance;
- 5.1.14 Assign its right to future income, including the right to receive Assessments;
- 5.1.15 Exercise any other powers conferred by the Declaration or Association Bylaws;
- 5.1.16 Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and

5.1.17 Exercise any other powers necessary and proper for the governance and operation of the Association.

Section 5.2 *Composition, Appointment and Manner of Acting*

5.2.1 During the period of Declarant Control, the Board shall be composed and appointed as provided in Section 4.4 of this Declaration.

5.2.2 After the period of Declarant Control Ends, the unit owners shall elect an executive board of at least three members, at least a majority of whom must be unit owners other than the declarant or designated representatives of unit owners other than the declarant.

5.2.3 The Executive Board shall act by majority vote of those Executive Board members who are unit owners, or by majority vote.

ARTICLE 6
MECHANIC'S LIENS

Section 6.1 *No Liability.* If any Owner shall cause any material to be furnished to his Unit or any labor to be performed therein or thereon, no Owner of any other Unit shall under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner causing it to be done, and such Owner shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor or materials to his Unit.

Section 6.2 *Indemnification.* If, because of any act or omission of any Owner, any mechanic's or other lien or order for the payment of money shall be filed against the Common Elements or against any other Owner's Unit or an Owner or the Association (whether or not such lien or order is valid or enforceable as such), the Owner whose act or omission forms the basis for such lien or order shall at his own cost and expense cause the same to be cancelled and discharged of record or bonded by a surety company reasonably acceptable to the Association, or to such other Owner or Owners, within twenty (20) days after the date of filing thereof, and further shall indemnify and save all the other Owners and the Association harmless from and against any and all costs, expenses, claims, losses or damages including, without limitation, reasonable attorneys' fees resulting therefrom.

Section 6.3 *Association Action.* Labor performed or materials furnished for the General Common Elements, if duly authorized by the Association in accordance with this Declaration or its Bylaws, shall be the basis for the filing of a lien pursuant to law against the Common Elements. Any such lien shall be limited to the General Common Elements and no lien may be effected against an individual Unit or Units, or Limited Common Elements appurtenant to any such Unit.

ARTICLE 7
EASEMENTS

Section 7.1 *Recorded Easements.* The Property shall be subject to all easements as shown on the Map, those of record, any mentioned in the Act (including easements for encroachment and for maintenance of any such encroachment), and otherwise as set forth in this Article and on the Map.

Section 7.2 *Utility Easements.* There is hereby created a blanket easement upon, across, over, in and under the Property for the benefit of the Common Elements and the Units and the structures and improvements situated on the Property for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephone, cable TV and electricity. Said blanket easement includes future utility services not presently available to the Units which may reasonably be required in the future. By virtue of this easement, it shall be expressly permissible for the companies providing utilities to erect and maintain the necessary equipment on any of the Units and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the improvements, all in a manner customary for such companies in the area surrounding the Property, subject to approval by the Association as to locations.

Section 7.3 *Reservation of Easements, Exceptions and Exclusions.* Each Owner is hereby granted a perpetual non-exclusive right of ingress to and egress from the Owner's Unit over and across the General Common Elements and Limited Common Elements appurtenant to that Owner's Unit, which right shall be appurtenant to the Owner's Unit, and which right shall be subject to limited and reasonable restriction on the use of Common Elements set forth in writing by the Association, such as for guest parking, storage and closure for repairs and maintenance.

Section 7.4 *Emergency Access Easement.* A general easement is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons to enter upon the Property in the proper performance of their duties.

Section 7.5 *Declarant Easement.* The Declarant is hereby granted an easement through the common elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations, whether arising under this article or created in this Declaration.

ARTICLE 8.
MAINTENANCE

Section 8.1 *Maintenance by Owners.* Each Owner shall maintain and keep in repair the interior of his Unit, including the fixtures thereof to the extent current repair shall be necessary in order to avoid damaging other Unit Owners, and all(excluding the roofing elements) Limited Common Elements allocated to the Unit. All fixtures and equipment installed within the Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner of such Unit. An Owner shall do no act or work that will impair the structural soundness or integrity of the Common Elements or impair any easement. Each Owner

shall be responsible for the maintenance of the interior non-supporting walls of his Unit, and the surface materials thereon such as plaster, drywall, paneling, wallpaper, paint, tile and carpeting of the perimeter walls, ceilings and floors within the Unit, including Unit doors and windows. Notwithstanding any other provision of this Declaration, each Unit owner shall also be responsible for maintenance and repair of all spaces and improvements mentioned at Article Two, Section 3.5.1D,E and F above.

Section 8.2 *Owner's Failure to Maintain or Repair.* In the event that a Unit (including the allocated Limited Common Element) is not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the Unit lies with the Owner of the Unit, or in the event that the Unit is damaged or destroyed by an event of casualty and the Owner does not take reasonable measures to diligently pursue the repair and reconstruction of those portions of the damaged or destroyed Unit for which the Owner is responsible to substantially the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Executive Board shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Unit, 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 an unpaid Assessment levied in accordance with Article 10 of this Declaration.

Section 8.3 *Maintenance by Association.*

Section 8.3.1 The Association shall be responsible for the maintenance and repair of the General Common Elements, which (unless necessitated by damage caused by the negligence, misuse or tortious act of a Unit Owner or Owner's Agent as set forth in Section 8.4 below), shall be the Common Expense of all Owners. This maintenance shall include, but shall not be limited to, upkeep, repair and replacement, subject to any insurance then in effect, of all landscaping, walls, gates, signage, irrigation systems, sidewalks, driveways and improvements, if any (which shall include without limitation snow removal services unless performed by another private or public organization formed for such purposes), located in the General Common Elements. Specifically, this maintenance shall include:

A. Unless and until the Executive Board directs otherwise, the cost to continue employment of In Bloom Gardens to continue all landscape Maintenance.

B. Maintenance of any fences separating any Limited Common Elements, including the those comprising the back yards of the two Units.

8.3.2 Notwithstanding any language to the contrary herein, if any damage or loss to landscaping elements or any other aspect of the common area are caused by the neglect or abuse of one owner, that owner shall be solely responsible for repairing or replacing the damaged or lost element in a timely manner.

Section 8.4 *Association Maintenance as Common Expense.* The cost of maintenance and repair by the Association shall be a Common Expense of all of the Owners, to be shared by each Unit Owner according to the Allocated Interests therefor. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Unit at the instance of the Association shall also be Common Expense of all of the Owners. However, if such damage is caused by negligent or tortious acts of a Unit Owner, members of the Unit Owner's family, or the Unit Owner's agent, employee, invitee, licensee or tenants (collectively "Owner's Agents"), then such Unit Owner shall be responsible and liable for all of such damage and the cost thereof, to the extent that Owner's Agent's negligence caused such damage, which must be timely paid.

Section 8.5 *Easement for Maintenance.* Each Owner and the Association shall have the irrevocable right, to be exercised by the Manager, the Executive Board or officers or employees of the Association, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or at any hour for making emergency repairs, maintenance or inspection therein necessary to prevent damage to the Common Elements or another Unit. In the event insurance proceeds under Article 9 are payable to an Owner but the maintenance responsibility of the area to which such proceeds relate is the Association's, the Association shall complete any such repair or replacement at the Owner's cost.

Section 8.6 *Association's Right to Grant Owner's Maintenance Area.* The Association reserves the right to grant the maintenance responsibility of certain areas on each Unit to the Unit Owner, and the Unit Owner is obligated to accept said maintenance responsibility, provided said assignment is done in a uniform and nondiscriminatory manner.

Section 8.7 *Limited Common Element Damage.* In the event of damage or destruction of a Limited Common Element from any cause other than the negligence or tortious acts of an Owner or Owner's Agent, the then Owners of the Units to which the Limited Common Element is attributable shall bear equally the expense to repair or rebuild the Limited Common Element to its previous condition. The Owner shall bear the cost of such damage to the extent of such Owner's or Owner's Agent's negligence.

Section 8.8 *Association Power.* The Association shall have the right and power to prohibit storage or other activities deemed unsafe, unsightly, unreasonably noisy or otherwise offensive to the senses and perceptible from another Unit or the Common Elements. No Owner shall make any addition or other alteration to any portion of the Common Elements without the express consent of the Executive Board.

Section 8.9 Changes to General Common Elements.

8.9.1 The Association may modify, change alter, supplement or improve any of the Common Elements by vote of 51% or more of the Unit owners. Any such modifications, changes, alterations, supplementations or improvements shall be a Common Expense of the Association if certified in writing as such by all Unit Owners, and all such modifications,

changes, alterations, supplementations or improvements shall be apportioned accordingly to the Unit owners pursuant to other provisions of this Declaration.

8.9.2 Any individual Unit owner may modify, change alter, supplement or improve any of the Common Elements at his/her sole expense if he has first obtained the written approval of the other Unit owner. All costs of any modifications, changes, alterations, supplementations or improvements not specifically certified as a Common Expense as provided in Section 8.9.1 shall be the sole responsibility of the Unit owner who effects them.

ARTICLE 9 **INSURANCE**

Section 9.1 *General Insurance Provisions.* The Association shall acquire and pay for, out of the assessments levied under Article 10 below, the following insurance policies carried with reputable insurance companies authorized to do business in Colorado:

9.1.1 *Hazard Insurance Coverage.* Insurance for fire, with extended coverage, vandalism, malicious mischief, all-risk, replacement cost, agreed amount, special condominium, building ordinance and inflation guard endorsements attached, in amounts determined by the Executive Board to represent not less than the full then current insurable replacement cost of the buildings located on the Property including all of the Common Elements, excluding all fixtures, decorated and finished surfaces of interior and perimeter walls, floors, and ceilings, doors, windows and other elements or materials comprising a part of the Units, and excluding any fixtures, equipment or other property within the Units and any betterments and improvements made by Unit Owners and building excavations and foundations. Maximum deductible amounts for such policy shall be the lesser of ten thousand dollars (\$10,000) or one percent (1%) of the policy face amount.

Such hazard insurance policy must be written by an insurance carrier that has (a) a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, or (b) an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports -- International Edition.

9.1.2 *Comprehensive Liability.* Comprehensive general public liability and property damage insurance for the Project in such amounts as the Executive Board deems desirable for bodily injury, including deaths and property damage arising out of a single occurrence insuring the Association, the Executive Board, the Manager or managing agent, or both, if any, and their respective agents and employees, and the Unit Owners, and the agents and employees of the Unit Owners, from liability in connection with the operation, maintenance and use of Common Elements and must include a "severability of interest" clause or specific endorsement.

The insurance policies may be carried in blanket policy form naming the Association as the

insured, for the use and benefit of and as attorney-in-fact for the Unit Owners. Each Unit Owner shall be an insured person under the policy with respect to liability arising out of such Unit Owner's interest in the Common Elements or membership in the Association. Each Mortgagee and its successors or assigns shall be a beneficiary of the policy in the percentages of Common Expenses for the Unit which the Mortgage encumbers. The insurance company shall waive its rights of subrogation under the insurance policy against any Unit Owner or member of the Unit Owner's household. No act or omission by any Unit Owner, unless acting within the scope of such Unit Owner's authority on behalf of the Association, shall void the insurance policy or be a condition to recovery under the insurance policy. If, at the time of a loss under an insurance policy described above there is other insurance in the name of the Unit Owner covering the same risk covered by the policy, the Association's policy shall provide primary insurance.

Insurance coverage on the furnishings and other items of personal property belonging to an Owner, all fixtures, decorated and finished surfaces of interior and perimeter walls, floors, and ceilings, doors, windows and other elements or materials comprising a part of the Units and including any fixtures, equipment or other property within the Units, and any betterments and improvements made by Unit Owners and building excavations and foundations shall be the responsibility of the Owner of the Unit. All casualty and public liability insurance coverage for each Unit and the Limited Common Elements associated therewith and workman's compensation insurance covering work within each Unit or on the Limited Common Elements associated therewith shall be the responsibility of the Owner of the Unit.

Section 9.2 *Certificates of Insurance; Cancellation.* Certificates of insurance shall be issued to each Owner and Mortgagee upon request. All policies required to be carried under this Article 9 shall provide a standard non-contributory mortgagee clause in favor of each First Mortgagee of a Unit and shall provide that such policy cannot be cancelled by the insurance company without at least thirty (30) days prior written notice to each Owner and each First Mortgagee whose address is shown in the records maintained pursuant to the Association's documents. If the insurance described in this Article 9 is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and to all First Mortgagees.

Section 9.3 *Insurance Proceeds.* Any loss covered by the property insurance policy described in Section 9.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 9.5 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

Section 9.4 *Insurer Obligation.* An insurer that has issued an insurance policy for the

insurance described in Sections 9.1 and shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses, and to any servicer of a Mortgage for FNMA.

Section 9.5 *Repair and Replacement.* Any portion of the Common Elements for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

9.5.1 The common interest community created by this Declaration is terminated in which case the approval must first be obtained of fifty-one percent (51%) of First Mortgagees of Units subject to First Mortgages (which percentage is measured by votes allocated to such Units);

9.5.2 Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;

9.5.3 There is a vote not to rebuild by (a) fifty-one percent (51%) of the Owners entitled to vote and fifty-one percent (51%) of First Mortgagees of Units subject to First Mortgages (which percentage is measured by votes allocated to such Units); and (b) every Owner and First Mortgagee of a Unit or assigned Limited Common Element that will not be rebuilt; or

9.5.4 Prior to the conveyance of any Unit to a person other than Declarant, the Mortgagee holding a Mortgage on the damaged portion of the Common Elements rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement of Common Elements in excess of insurance proceeds and reserves is a Common Expense. If all the Common Elements are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must 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, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear in proportion to each Unit's Common Expenses Allocated Interests.

Section 9.6 *Common Expenses.* Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses provided, however, that if the Association's fire and extended coverage insurance covers fixtures, equipment or other property within some but not all of the Units (as required by any Agency including FNMA or FHLMC), the Association reserves the right to charge the Owner of such Units for which the Association provides additional insurance coverage, an amount equal to the premium attributable to such additional insurance coverage.

Section 9.7 *Other Insurance.* The Association shall maintain flood insurance if any part of the Project is located within a Special Flood Hazard Area on a Flood Insurance Rate Map, equal to the lesser of one hundred percent (100%) of the insurable value of the Project or the maximum coverage available under the appropriate National Flood Insurance Program. The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Executive Board may deem appropriate on behalf of Directors against any liability asserted against a Director or incurred by him in his capacity of or arising out of his status as a Director. The Executive Board may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties or as requested by any Agency.

ARTICLE 10 **ASSESSMENTS**

Section 10.1 *Obligation.* Each Owner, including Declarant while an Owner of any Unit, is obligated to pay to the Association (1) the Annual Assessments; (2) Special Assessments, if any; and (3) Default Assessments.

Section 10.2 *Budget.* Within thirty (30) days after the adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver, including posting the proposed budget on the association's website, a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board. The Executive Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Executive Board shall levy and assess the Annual Assessments in accordance with the annual budget.

Section 10.3 *Initial Assessment.* The declarant shall determine the Initial Assessment based upon the estimated cash requirements needed to pay, from the date of the initial assessment until the end of the year in which such assessment is levied, those Common Expenses listed in Section 10.4. The date of the Initial Assessment shall be the date of closing on the sale of the first Unit transferred by Declarant to another owner. The Declarant shall deliver a copy of the Initial Assessment at closing on the first sale of a Unit. The Initial Assessment shall be due from each Unit owner within 30 days of the date of such closing.

Section 10.4 Annual Assessments. Following the Initial Assessment, annual Assessments made for Common Expenses shall be based upon the estimated cash requirements as the Executive Board shall from time to time determine to be paid by all of the Owners, subject to Section 10.2 above. Estimated Common Expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the Common Elements, expenses of management and insurance premiums for insurance coverage as deemed desirable or necessary by the

Association, landscaping of the Property, care of grounds within the Common Elements, routine repairs, replacements and renovations within and of the Common Elements, wages, common water and utility charges for the Common Elements, if any, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, payment of any default remaining from a previous assessment period, and the creation of a reasonable and adequate contingency or other reserve or surplus fund for insurance deductibles and general, routine maintenance, repairs and replacement of improvements within the Common Elements on a periodic basis, as needed. Until the Association approves an annual budget, the Annual Assessments shall be \$3000.00 per Unit.

Annual Assessments shall be payable in monthly installments on a prorated basis in advance and shall be due on the first day of each month for every Unit. The omission or failure of the Association to fix the Annual Assessments for any assessment period shall not be deemed a waiver, modification or release of the Owners from their obligation to pay the same. Until the Association approves an annual budget, the monthly installment for each Unit shall be \$250.00.

Section 10.5 *Apportionment of Annual Assessments.* The Common Expenses shall be allocated among the Units on the basis of the Allocated Interests for Common Expenses in effect on the date of assessment, provided, however, that the Association reserves the right to allocate all expenses relating to fewer than all of the Units (such as those expenses attributable to Limited Common Elements and insurance premiums described in Section 9.6) to the Owners of those affected Units only.

Section 10.6 *Special Assessments.* In addition to the Annual Assessments, the Association may levy Special Assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements or for any other expense incurred or to be incurred as provided in this Declaration. This Section 10.5 shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration. Any amounts assessed pursuant to this Section shall be assessed to Owners according to their Allocated Interests for Common Expenses, except that assessments for any extraordinary maintenance, repair or restoration work on fewer than all of the Units shall be borne by the Owners of those affected Units only, and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of a particular Owner (or his agents, servants, guests, tenants or invitees) shall be borne by that Owner. Notice in writing of the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than ten (10) days after such notice shall have been given.

Section 10.7 *Default Assessments.* All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against

such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least ten (10) days prior to the due date.

Section 10.8 *Effect of Nonpayment; Assessment Lien.* Any Assessment installment, whether pertaining to any Annual, Special or Default Assessment, which is not paid on or before its due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

- (i) Assess a late charge for each delinquency in such amount as the Association deems appropriate;
- (ii) Assess an interest charge from the due date at the yearly rate of ten (10) percent, or such other lawful rate as the Executive Board may establish;
- (iii) Suspend the voting rights of the Owner during any period of delinquency;
- (iv) Suspend the rights of the Owner, and the Owner's family, guests, lessees and invitees, to use Common Element facilities during any period of delinquency;
- (v) Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;
- (vi) Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and
- (vii) Proceed with foreclosure as set forth in more detail below.

Assessments chargeable to any Unit shall constitute a lien on such Unit. The Association may institute foreclosure proceedings against the defaulting Owner's Unit in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

Section 10.9 *Personal Obligation.* Each Assessment against a Unit is the personal obligation of the person who owned the Unit at the time the Assessment became due and shall not pass to successors in title unless they agree to assume the obligation. No Owner may exempt himself from liability for the Assessment by abandonment of his Unit or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, and all reasonable attorney's fees in connection therewith shall be maintainable without foreclosing or waiving the Assessment lien provided in this Declaration.

Section 10.10 *Payment by Mortgagee.* Any Mortgagee holding a lien on a Unit may pay any unpaid Assessment payable with respect to such Unit, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as the lien of the Mortgage.

Section 10.11 *Statement of Status of Assessment Payment.* Upon payment of a reasonable fee set from time to time by the Executive Board and upon fourteen (14) days' written request to the Association's registered agent by personal delivery or certified mail, first-class postage prepaid, return receipt, any Owner, designee of Owner, Mortgagee, prospective Mortgagee or prospective purchaser of a Unit shall be furnished with a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Unit. Unless such statement shall be issued by personal delivery or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party (in which event the date of posting shall be deemed the date of delivery) within fourteen (14) days after receipt of the request, the Association shall have no right to assert a lien upon the Unit over the inquiring party's interest for unpaid Assessments which were due as of the date of the request.

Section 10.12 *Capitalization of the Association.* The Declarant shall establish an initial working capital fund equal to one-half (1/2) of the total estimated Annual Assessments for Common Expenses for each Unit, which amount shall be reimbursed to the Declarant upon the transfer of title to a Unit when that Unit's Owner makes the working capital contribution set forth in this section. The initial capital account shall be established on or before the conveyance of the first Unit by Declarant and Annual Assessments shall commence upon the conveyance of the first Unit by Declarant. Upon acquisition of record title to a Unit from Declarant or any seller after Declarant, each Owner shall contribute to the working capital and reserves of the Association an amount equal to one-half (1/2) of the Annual Assessment determined by the Executive Board for that Unit for the year in which the Owner acquired title. Such payments shall not be considered advance payments of Annual Assessments. The unused portion of the working capital deposit shall be returned to each Owner including Declarant upon the sale of his Unit, provided that the new purchaser of the Unit has deposited the required working capital deposit with the Association. The working capital fund must be maintained by the Association in a segregated account, and may not be used by the Declarant to defray any of its expenses, reserve contributions, or construction costs, nor to make up any budget deficits during the period of Declarant control.

Section 10.13 *Maintenance Accounts; Accounting.* The Association shall maintain a bank account in the name of the Association for the maintenance of all assessments and other Association funds. Expenditure of funds from any Association bank account shall require the signature of both Unit Owners acting as members of the Executive Board, or of any person duly designated by the Executive Board as Manager. All Association bank accounts shall be viewable via internet access by all Unit owners. If the Association delegates powers of the Executive Board or its officers relating to collection, deposit, transfer or disbursement of Association funds to a Manager, then such Manager must (a) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or

manager, (b) maintain all reserve and working capital accounts of the Association separate from the operational accounts of the Association, and (c) provide to the Association an annual accounting and financial statement of Association funds prepared by the manager, a public accountant or a certified public accountant.

Section 10.14 *Audit*. Upon request pursuant to subsection 10.12.1 of this Section as applicable, the books and records of the association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the board. Such person need not be a certified public accountant except in the case of an audit. A person selected to conduct a review shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. The audit or review report shall cover the association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

Section 10.14.1 An audit shall be required under this Section only when both of the following conditions are met:

- A. The Association has annual revenues or expenditures of at least two hundred fifty thousand dollars; and
- B. An audit is requested by the owners of at least one-third of the Units represented by the association.

Section 10.14.2 A review shall be required under this paragraph (b) only when requested by the owners of at least one-third of the Units represented by the association.

Section 10.14.3 Copies of an audit or review under this paragraph (b) shall be made available upon request to any Unit owner beginning no later than thirty days after its completion.

ARTICLE 11 **DAMAGE OR DESTRUCTION**

Section 11.1 *The Role of the Executive Board*. Except as provided in Section 9.5, in the event of damage to or destruction of all or part of any Common Elements improvement, or other property covered by insurance written in the name of the Association under Article 9, the Executive Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to Article 9 is sometimes referred to as the "Association-Insured Property").

Section 11.2 *Estimate of Damages or Destruction*. As soon as practicable after an event causing damage to or destruction of any part of the Association-Insured Property, the Executive Board shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction. "Repair

and reconstruction” as used in this Article shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction. Such costs may also include professional fees and premiums for such bonds as the Executive Board or the Insurance Trustee, if any, determines to be necessary.

Section 11.3 *Repair and Reconstruction.* As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed Association-Insured Property. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction of any damage to the Association-Insured Property, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 11.4 *Funds for Repair and Reconstruction.* The proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair, replacement and reconstruction of the Association-Insured Property for the benefit of Owners and Mortgagees.

If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair, replacement or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to Section 10.5, if permitted under the Act, levy, assess and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement or reconstruction.

Section 11.5 *Disbursement of Funds for Repair and Reconstruction.* The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, then in proportion to the relative value of each Unit which shall be based on the square footage of the Unit and in accordance with the Units' Percentage Share of Common Expenses, first to the Mortgagees and then to the Owners, as their interests appear.

ARTICLE 12. **APPOINTMENT OF ATTORNEY-IN-FACT**

Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of purchasing and maintaining insurance pursuant to Article 9,

including the collection and appropriate disposition of the proceeds thereof, the negotiation and settlement of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to purchase and maintain insurance as well as dealing with any improvements covered by insurance written in the name of the Association pursuant to Article 9 upon their damage or destruction as provided in Article 11, or a complete or partial taking as provided in Article 12, above. Acceptance by a grantee of a deed or other instrument of conveyance or any other instrument conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE 13
RESERVED DEVELOPMENT AND SPECIAL DECLARANT RIGHTS

The Declarant reserves no rights with respect to the Property or the Project.

ARTICLE 14
DESIGN REVIEW AND RESTRICTIONS ON USE

Section 14.1. *Use/Occupancy.* No Unit within CHC shall be used for any purpose other than allowed by local zoning codes and the Solar Ranch 1 and 2A HOA regulations. CHC are intended as residential Units only and no Unit shall be used for any purpose other than a residential dwelling unless allowed under local zoning codes for home occupations.

Section 14.2. *Leasing of a Unit.* Any Unit owner shall have the right to lease or allow occupancy of a Unit upon such terms and conditions as the Unit owner may deem advisable, except that all such leasing or occupancy of a Unit shall be subject to this declaration.

Section 14.3. *Maintenance and Use of Units.*

14.3.1 Each Unit owner is responsible for the maintenance, repair or replacement of the properties located within his/her Unit boundaries, all Limited Common Elements appurtenant to his/her Unit, and as otherwise stated herein as his/her sole responsibility. Each Unit at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk boxes, containers, bottles, cans, implements, machinery, lumber or other building materials, or personal items other than vehicles as allowed herein shall be permitted to remain exposed upon or within any UnitUnit so that the same are visible from any neighboring UnitUnit or any street, except as necessary during any period of permissible construction.

14.3.2 Each Unit owner shall have the exclusive right to use and enjoyment of the Limited Common Elements appurtenant to his/her Unit. A Unit owner may change or modify Limited Common Elements appurtenant to his/her Unit only with approval of the

entire Association.

Section 14.4 *Restrictions on Animals and Pets.* No animals or pets may be kept upon or within any Unit or upon the real estate except those which may be permitted by the codes of the Town of Ridgway, Colorado. No owner shall have more than two pets (defined as dogs and cats only) without the express written consent of the owner of the other Unit.

Section 14.5 *Restrictions on Exterior Improvements.* No improvement or change to the exterior of a building which includes a Unit or to any of the Common Elements or to any landscaping shall be constructed, erected, placed or installed within the Property unless complete plans and specifications thereof shall have been first submitted and approved by all UUnit owners and, if required by any declaration, covenant, restriction, rule or regulation promulgated by or for the benefit of SR 1&2 HOA, by SR 1&2 HOA also.

Section 14.6 *Nuisances.* No nuisances shall be permitted upon the real estate or within any Unit, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs any Unit owner or which may unreasonably interfere with the peaceful enjoyment or possession of the proper use of the Unit or a general common element, or any portion of the real estate. Further, no immoral, improper, offensive or unlawful use shall be permitted within any Unit or upon the real estate. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the real estate or any Unit thereof shall be observed.

Section 14.7 *Vehicular Parking, Storage and Repairs.* Neither owner shall park that owner's vehicles or other items on the other owner's side of the driveway, an owner's side being defined as that area on that owner's side of a dividing line of the property running straight from the firewall separating the two Units to the middle of the entry to the driveway from the street. Neither shall either owner block or hinder the other owner's access to his or her parking and garage.

Section 14.8 *No Annoying Lights, Sounds or Odors.* No light shall be emitted from any portion of the real estate or Unit thereof which is unreasonably bright or causes unreasonable glare, no sound or odor shall be emitted from any portion of the real estate or any Unit thereof which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spotlights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the real estate or any Unit thereof without the prior written approval of all Unit owners. All exterior lighting must also be in compliance with the regulations of the Town of Ridgway, CO.

Section 14.9 *No Hazardous Activities.* No activities shall be conducted on any portion of the real estate or any Unit thereof which is or might be unsafe or hazardous to any person, animal or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any portion of the real estate or any Unit thereof and no open fires shall be lighted or permitted upon any portion of the real estate or any Unit thereof except for fires built in fireplaces constructed within a Unit for such purpose. It is understood that gas outdoor barbecue

grills are not considered hazardous and that their use is acceptable.

Section 14.10 *Compliance with Insurance Requirements.* Except as may be approved in writing by all Unit owners, nothing shall be done or kept on the real estate or within any Unit which may result in a material increase in the rates insurance or would result in the cancellation of any insurance maintained on the real estate and improvements.

Section 14.11 *No Unsightliness.* All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed with an approved structure.

Section 14.12 *No Restriction on Sale of Unit.* The right of Unit owners to sell, transfer or otherwise convey a Unit shall not be subject to any right of first refusal or similar restriction, and such Unit may be sold free of any such restrictions.

Section 14.13 *No restrictions on Mortgaging of a Unit.* There are no restrictions on the right of Unit owners to mortgage or otherwise encumber their Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

Section 14.14 *No partition or Division.* No Unit may be further partitioned or divided and no Unit may be conveyed pursuant to a time-sharing arrangement.

ARTICLE 15 **DURATION OF COVENANTS AND AMENDMENT**

Section 15.1 *Term.* The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity, subject to the termination provisions of the Act.

Section 15.2 *Amendment.* This Declaration, or any provision of it, may be amended at any time by Owners holding not less than fifty-one percent (51%) of the votes possible to be cast under this Declaration at a meeting of the Owners called for that purpose.

Section 15.3 *Execution.* Any amendment must be executed by the President of the Association and recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying the approval of a sufficient number of Owners of the amendment.

Section 15.4 *Revocation.* This Declaration shall not be revoked nor shall the condominium regime created hereby be terminated (except as provided in Article 11 regarding total destruction and Article 12 regarding total condemnation), without the consent of all of the Owners evidenced by a written instrument duly recorded with the Clerk and Recorder for Ouray County, Colorado.

ARTICLE 16
LIMIT ON TIMESHARING

No Owner of any Unit shall offer or sell any interest in such Unit under a “timesharing” or “interval ownership” plan, or any similar plan.

ARTICLE 17
GENERAL PROVISIONS

Section 17.1 *Restriction on Declarant Powers.* Notwithstanding anything to the contrary herein, no rights or powers reserved to Declarant hereunder shall exceed the time limitations or permissible extent of such rights or powers as restricted under the Act. Any provision in this Declaration in conflict with the requirements of the Act shall not be deemed to invalidate such provision as a whole but shall be adjusted as is necessary to comply with the Act.

Section 17.2 *Enforcement.* Except as otherwise provided in this Declaration, the Executive Board, Declarant or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Executive Board of the Association, Declarant or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter. In any action instituted or maintained under this section, the prevailing party in such action shall be entitled to recover such parties’ costs and reasonable attorney’s fees incurred pursuant thereto, as well as any and all other sums awarded by the Court. No failure of any Unit owner to enforce any covenant or restriction herein shall constitute or be deemed a waiver of the right to do so thereafter.

Section 17.3 *Severability.* Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 17.4 *Conflicts Between Documents.* In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Section 17.5 *Technical, Clerical, Typographical or Clarification Amendment by Declarant.* If Declarant shall determine that any amendments to this declaration or the condominium maps shall be necessary in order to make non-material changes, such as for the correction of a technical, clerical or typographical error or clarification of a statement, then, subject to the following sentence of this section, Declarants shall have the right and power to make and execute any such amendments without obtaining the approval of any Unit owners. Each such amendment of this declaration shall be made, if at all, by Declarants prior to the expiration of three years from the date this declaration is recorded.

Section 17.5 *Interpretation.* The provisions of this declaration shall be liberally

construed to effectuate their purpose of creating a uniform plan for the development of the Units and of promoting and effectuating the fundamental concepts as set forth in the recitals of this declaration. This declaration shall be construed and governed under the laws of the State of Colorado.

Section 17.6 *Singular Includes the Plural*. Unless the context requires otherwise, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 17.7 *Captions*. All captions and titles used in this declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in an paragraph, section or article hereof.

DECLARANT:

PAULA JAMES

DONALD JAMES ROGERS

COUNTY OF OURAY)
STATE OF COLORADO)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by **Paula James and Donald James Rogers**.

Witness my hand and official seal.

Notary Public

My commission expires: _____