

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
FOR
BELDEN PLACE**

After recording return to:
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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BELDEN PLACE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BELDEN PLACE (the “**Declaration**”) is made and entered into on as this _____ day of _____, 20____ by Miners Base Camp LLC, a Colorado limited liability company (the “**Declarant**”).

RECITALS

A. The Declarant is the owner of certain real property in Eagle County, Colorado, which is more particularly described as set forth in *Exhibit A* attached hereto and by reference made a part hereof.

B. The Declarant desires to create a planned community under the terms of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 *et. seq.* (“**CCIOA**”) on the real estate described in *Exhibit A*, under the name “Belden Place”.

C. The Declarant has caused Belden Place Owners Association, Inc. (the “**Association**”), a Colorado nonprofit corporation, to be incorporated under the laws of the State of Colorado, as an owners’ association, for the purpose of exercising the functions set forth herein.

ARTICLE 1. SUBMISSION/NAMES/DEFINED TERMS

Section 1.1 Submission of Property. The Declarant hereby submits the real estate described in *Exhibit A*, and such additional property as may subsequently be annexed hereto, pursuant to the annexation rights reserved in this Declaration, together with and subject to all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon (collectively, the “**Property**”), to the provisions of CCIOA, as it may be amended from time to time, and to the terms and conditions of this Declaration. In the event CCIOA is repealed, CCIOA on the effective date of this Declaration shall remain applicable. The Declarant hereby declares that all of the Property described in *Exhibit A*, and as added to by annexation, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions. The Declarant further declares that this Declaration is made for the purpose of protecting the value and desirability of the Property, that this Declaration shall run with the Property and shall be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Owner thereof.

Section 1.2 Name and Type. The type of common interest community created hereunder is a planned community as defined in CCIOA. The name of the common interest community is “Belden Place”. The name of the Association is “Belden Place Owners Association, Inc.”

Section 1.3 Property. The Property is located in Eagle County, Colorado. The initial property of the Property is described in *Exhibit A*.

Section 1.4 Defined Terms. Each capitalized term in this Declaration or on the Plat shall have the meaning specified in CCIOA or as used in CCIOA, unless otherwise defined in this Declaration or as context requires otherwise:

(a) “**Annexable Area**” shall mean the property described on *Exhibit B*, attached hereto and incorporated herein.

(b) “**Allocated Interests**” shall mean the votes and Common Expense liability allocated to each Unit as set forth in Article 3, Section 3.4 of this Declaration

(c) “**Architectural Review Committee**” shall mean the committee appointed by the Declarant or the Board of Directors pursuant to this Declaration for the purpose of administering the architectural approval and design review provisions contained in this Declaration.

(d) “**Articles of Incorporation**” shall mean the Articles of Incorporation of Belden Place Owners Association, Inc., as filed with the Colorado Secretary State, as may be amended from time to time.

(e) “**Assessment**” shall include all Common Expense Assessments, , Special Assessments, Individual Purpose Assessments, and any other expense levied against a Unit pursuant to this Declaration or CCIOA, including interest, late fees, attorney fees, fines, and costs.

(f) “**Association**” shall mean and refer to Belden Place Owners Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

(g) “**Attached Residential Unit**” shall mean an individual residential dwelling unit constructed on a Multi-Family Lot and which is within a Multi-Family Building, each of which is separated from at least one other residential dwelling unit by a Party Wall.

(h) “**Board**” or “**Board of Directors**” shall mean the body designated in the Governing Documents to act on behalf of the Association.

(i) “**Bylaws**” shall mean the Bylaws of Belden Place Owners Association, Inc., as may be amended from time to time.

(j) “**CCIOA**” shall mean the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 *et. seq.*, as it may be amended.

(k) “**Common Area**” shall mean all real property owned or leased by the Association, excluding the Lots, for the common use and enjoyment of the Owners, together with all improvements located thereon.

(l) “**Common Expense Assessment**” shall mean an Assessment levied against all Units in the Association to fund the Common Expenses.

(m) “**Common Expense Liability**” shall mean the liability for Common Expenses allocated to each Unit as set forth in Section 3.4 of this Declaration.

(n) “**Common Expenses**” shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

(o) “**Condominium Association**” shall mean any condominium association formed in accordance with CCIOA in relation to any Condominium Lot.

(p) “**Condominium Lot**” shall mean any Lot which has been subdivided into Condominium Units pursuant to a recorded condominium map and which is subject to a condominium declaration and a part of a condominium community created pursuant to CCIOA. Subsequent to the recording of this Declaration, if any Lot is converted to a condominium form of ownership, any such Lot so converted shall be deemed to be a Condominium Lot upon the recording of the condominium map(s) applicable to such Lot being so converted.

(q) “**Condominium Unit**” shall mean each unit having horizontal boundaries created for individual condominium ownership on a Condominium Lot.

(r) “**Declarant**” shall mean Miners Base Camp LLC, a Colorado limited liability company, and any Person or group of Persons which succeeds to all or any portion of the Declarant’s rights, or any successor to the Declarant duly designated in accordance with this definition. Any such successor must be so identified by means of an express written assignment executed and acknowledged by the Declarant and the duly designated successor Declarant, and recorded in the real property records of Eagle County, Colorado.

(s) “**Design Guidelines**” shall mean a manual of design guidelines for the Property, or other design or architectural guidelines, to interpret and/or implement any

provisions of Article 6 of this Declaration, specifically, and this Declaration in general, as more fully provided for in Section 6.3 of this Declaration.

(t) **"Governing Documents"** shall mean this Declaration, the Plat, the Articles of Incorporation, the Bylaws, the Design Guidelines, and the Rules and Regulations of the Association, as any of the same may be amended from time to time.

(u) **"Guest"** shall mean an Owner's (or a tenant's as applicable) family members, tenants, occupants, invitees, licensees, employees, contractors, and agents.

(v) **"Improvements"** shall mean all exterior improvements, structures, and any appurtenances thereto or components thereof of every type or kind, and all landscaping features, including but not limited to, buildings, outbuildings, patios, patio covers, awnings, solar collectors, painting or other finish materials on any visible structure, additions, walkways, sprinkler systems, garages, carports, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior light fixtures, poles, basketball hoops, signs, exterior tanks, and exterior air conditioning, cooling, heating and water softening equipment.

(w) **"Individual Purpose Assessment"** shall mean expenses incurred by the Association which are for the benefit of any individual Unit, as more fully provided in Section 5.5 of this Declaration.

(x) **"Lot"** shall mean and refer to any of the platted lots, including any Single Family Detached Lots, Multi-Family Lots, Vacant Lots, and Condominium Lots, shown upon any recorded subdivision Plat of the Property, together with all appurtenances thereto and improvements now or hereafter located thereon, with the exception of the Common Area.

(y) **"Member"** shall mean any Owner. The terms "Member" and "Owner" may be used interchangeably.

(z) **"Multi-Family Building"** shall mean each building constructed on any of the Multi-Family Lots containing Attached Residential Units, and shall include the Party Walls and other related improvements constructed and located upon such Multi-Family Lots.

(aa) **"Multi-Family Lot"** shall mean any Lot upon which Attached Residential Units are or will be constructed, and which share or will share a Party Wall with at least one other Attached Residential Unit.

(bb) "**Owner**" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(cc) "**Party Wall**" shall mean an interior wall, including the foundation wall, within a Multi-Family Building that separates two adjoining Attached Residential Units and that is located substantially along the shared interior Lot line that bounds the Attached Residential Units.

(dd) "**Period of Declarant Control**" shall mean a length of time expiring no later than the first or occur of the following: (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that May Be Included to Owners other than a Declarant; (ii) two (2) years after the last conveyance of a Unit by a Declarant in the ordinary course of business; or (iii) two (2) years after any right to add new Units to the Declaration was last exercised.

(ee) "**Person**" shall mean a natural person, a corporation, a limited liability company, a partnership, a trust, a joint venture, an unincorporated association, or any other legal entity or any combination thereof.

(ff) "**Plat**" shall mean and refer to the map(s) and/or plat(s) of the Property that is subject to this Declaration recorded in the records of the Office of the Clerk and Recorder of Eagle County, Colorado. More than one map or plat or supplement thereto may be recorded, and, if so, then the term "Plat" shall collectively mean and refer to all of such maps, plats and supplements thereto.

(gg) "**Property**" shall mean the property described in *Exhibit A*, and as added to by annexation, together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon which is a planned community as defined by CCIOA.

(hh) "**Rules and Regulations**" shall mean any written instruments, however identified, which are adopted by the Association for the regulation and management of the Property, and/or clarification of the Governing Documents, including any amendment to those instruments.

(ii) "**Single Family Detached Lot**" shall mean those Lots upon which detached residential dwellings are or will be constructed, and which do not share any common walls with any other residential dwelling.

(jj) "**Special Assessment**" shall mean a special Assessment levied by the Association from time to time to cover previously unbudgeted expenses or expenses in

excess of those budgeted, including, without limitation, the costs of any construction restoration, or unbudgeted repairs or replacements of capital improvements that are not covered by the general reserve fund.

(kk) “**Unit**” shall mean each Single Family Detached Lot, Multi-Family Lot, Vacant Lot, and Condominium Unit.

(ll) “**Units That May Be Included**” shall mean forty-one (41) Units, which shall be the maximum number of Units that may be subject to this Declaration, including those Units which may be included if all of the Annexable Area described on *Exhibit B* is annexed to this Declaration as provided for in Article 11, Section 11.4 of this Declaration. However, the aforesaid number of Units That May Be Included is not a representation or guarantee as to the actual number of Units that will ultimately be included in the Property.

(mm) “**Vacant Lot**” shall mean any Lot intended to be developed as a Condominium Lot, but which has not yet been subdivided into Condominium Units by the recordation of a condominium map for such Vacant Lot (which would thereby make such Lot a Condominium Lot).

ARTICLE 2. PROPERTY RIGHTS IN THE COMMON ELEMENTS/EASEMENTS

Section 2.1 Easement for Encroachments. Each Lot, Unit, and the property included in the Common Area shall be subject to an easement for encroachments created by the original construction, settling and overhangs. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist.

Section 2.2 Blanket Easements.

(a) *Maintenance Easement*. An easement is hereby granted to the Association, its officers, agents, and employees to enter in or to cross over the Common Area, and the exterior portions of any Lot to perform the duties of operation, installation, maintenance, repair and replacement of the Lots or the Common Area, as provided for in this Declaration. Additionally, an easement is hereby granted to the Association, its officers, agents, and employees to enter in or cross over the exterior portion of Lot 18, as shown on the Plat for the purpose of the operation, installation, maintenance, repair, and replacement of the entry sign and related landscaping installed thereon. Further, an easement is hereby granted to the Association, its officers, agents, and employees to utilize the easement area on Lot 17, as shown on the Plat, for the purposes set forth thereon.

(b) *Utility Easement*. A blanket easement is granted to the Association upon, across, over and under all of the Lots for ingress, egress, installation, replacing, repairing

and maintaining any utilities, including but not limited to water, sewers, gas, telephone, electricity, cable, internet and broadband, and a master antenna system, to the extent the Association is responsible for such utilities. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on the Common Area or Lots after the initial installation of the same by the Declarant, except as approved by the Board of Directors. The easements provided for in this paragraph shall in no way affect any other prior recorded easements on the premises.

Section 2.3 Access. For the purpose of performing any of the functions or obligations required or permitted by this Declaration, and for performing inspections related thereto, the Association, through its duly authorized agents, contractors, employees, or the Architectural Review Committee, shall have the right, after reasonable notice to the Owner or occupants thereof (or to the board of directors of a Condominium Association relative to any Condominium Lot) and during regular business hours, to enter upon the exterior portions of any Lot, and such entry shall not be deemed a trespass. In emergency situations, including emergency repairs necessary to prevent damage to any Unit or any Common Area Improvements, the Association or its agents, contractors or employees, may enter without notice at any time, but the Owner, other occupants, or the board of directors of a Condominium Association, as applicable, thereof shall be notified as soon as reasonably possible thereafter. In performing repairs or maintenance authorized under this Declaration, the Association shall not be liable for any loss, cost or damage caused by its actions, except on account of its willful misconduct.

Section 2.4 Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) The terms, provisions, covenants, conditions, restrictions, easements, reservations, uses, limitations, and obligations contained in this Declaration; and

(b) The terms of those recorded easements and licenses appurtenant to the Property, as more fully described on *Exhibit C*, attached hereto and incorporated herein, or to which the Property may be may become subject to pursuant to the rights reserved to the Declarant as set forth herein.

ARTICLE 3. THE ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

Section 3.1 General Purposes and Powers of the Association. The Association has been formed to perform functions and manage the Property as provided in this Declaration to protect the value and desirability of the Property, the Units, to further the interests of the Owners, residents, and Guests of the Property and Members of the Association, and to promote a harmonious community and responsible leadership. The Association shall have a Board of

Directors to manage the affairs of the Association. All Owners and any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designations and management. The Association shall have all power and authority necessary or desirable to effectuate such purposes, including but not limited to:

- (a) To adopt Rules and Regulations governing the use of the Common Area, the Lots, and the Units;
- (b) To borrow money for the purpose of maintaining or improving the Common Area and for other such purposes deemed appropriate or necessary by the Board of Directors to fulfill the Association's obligations, duties or authority as set forth in the Governing Documents;
- (c) To mortgage the Common Area as security for any loan or liability incurred by the Association, subject to the prior approval of Members entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes allocated to Units not owned by the Declarant; provided, that the rights of such mortgagee shall be subordinate to the rights of the Owners;
- (d) To assign its right to future income, including the right to assign its right to receive Assessments;
- (e) To grant any easement, right-of-way, license, lease, or similar interest through, over or in the Common Area;
- (f) To transfer or convey ownership of the Common Area, or any portion thereof, subject to the prior approval Owners entitled to cast at least sixty-seven percent (67%) of the votes in the Association, including sixty-seven percent (67%) of the votes allocated to Units not owned by the Declarant;
- (g) To close portions of the Common Area for maintenance, repair, replacement and improvement; and
- (h) To change the use of, and/or to add or remove improvements to or from the Common Area.

Section 3.2 Authority of the Association. The business affairs of the Property shall be managed by the Association. The Association shall be governed by CCIOA, this Declaration, the Plat, the Articles of Incorporation, the Bylaws, and any Rules and Regulations adopted by the Board of Directors. All corporate or other powers of the Association, unless otherwise specified or expressly reserved to the Members in the Governing Documents or by Colorado law, shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the Association shall be managed under the direction of the Board of Directors. The Board of

Directors may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of final responsibility. The Association may exercise any right or privilege and shall perform all duties and obligations expressly granted or reasonably necessary or implied in the Governing Documents to affect such right or privilege or to satisfy such duty or obligation.

Section 3.3 Membership. Every Person who is an Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit shall be the sole qualification for such membership. When more than one person holds an interest in any Unit, all such persons shall be Members.

Section 3.4 Allocated Interests. The Common Expense Liability and votes in the Association allocated to each Unit are set as follows:

(a) Unless otherwise provided in this Declaration, the Common Expense Liability allocated to each Unit shall be a fraction, the numerator of which is one (1) and the denominator of which is the total number of Units in the Property from time to time.

(b) The number of votes in the Association shall be allocated equally among the Units with each Unit being allocated one (1) vote.

Section 3.5 Managing Agent. The Association may employ or contract for the services of a managing agent to whom the Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. The agreement shall be by written contract having a term of no more than three (3) years and shall be subject to cancellation by the Association on thirty (30) days' notice, with or without cause, and without a cancellation fee. The Board shall not be liable for any omission or improper exercise by a managing agent of any duty, power, or function so delegated by written instrument executed by or on behalf of the Board.

Section 3.6 Mechanic's Liens. No labor performed and/or materials furnished for use and incorporated into any Lot or Unit with the consent or at the request of the Owner thereof, his agent, contractor, or subcontractor, or on any property maintained by a Condominium Association, with the consent or at the request of such Condominium Association or its agent, contractor, or subcontractor, shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, against any Condominium Association not expressly consenting to or requesting the same, or against any interest in the Common Area. Each Owner and Condominium Association shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien against the Unit of any other Owner, the Common Area, or any part thereof, for labor performed and/or materials furnished in work on the first Owner's Unit or the Condominium Association's property, as applicable. The Association may pay any sums necessary to eliminate any lien filed against Common Area not benefitting from the labor and/or

materials furnished and all sums paid shall be an Individual Purpose Assessment against the Unit of the Owner for whom the labor and/or materials were furnished, or shall be the obligation of the Condominium Association for which such work and/or materials were furnished.

Section 3.7 Right to Notice. Notice of matters affecting the Property shall be given by the Association or through access to Association records, as further provided in the Bylaws or as otherwise provided by the Board of Directors.

Section 3.8 Indemnification. To the fullest extent permitted by law, each officer, director, committee member and volunteer of the Association shall be and hereby are indemnified by the Association against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer, director, committee member or volunteer of the Association, or any settlements thereof, whether or not they are an officer, director, committee member or volunteer at the time such expenses are incurred; except in such cases wherein such officer, director, committee member or volunteer is adjudged guilty of breaching his or her duties.

Section 3.9 Disclaimer of Liability. The Association shall be and remain wholly free and clear of any and all liability to, or claims by, all Owners and all Persons, of whatever kind or character, whether sounding in contract or tort, deriving from the occurrence of any injury or damage to any person or property on, or in respect to the use and operation of, the Common Area or any of its Improvements, fixtures, and facilities. It shall be the affirmative duty and responsibility of each Owner, and each user of the Common Area, to continuously inspect the same for any defects or perils or other unsafe conditions or circumstances, prior to and during such use or enjoyment thereof; and all users of, and visitors to, the Common Area and its improvements and facilities shall use, enjoy, and visit, the same at their own risk and peril.

ARTICLE 4. BOARD OF DIRECTORS

Section 4.1 Authority of the Board of Directors. The affairs of the Association shall be managed by a Board of Directors. Except as otherwise provided in the Governing Documents or by Colorado law, the Board of Directors may act in all instances on behalf of the Association.

Section 4.2 Election of the Board of Directors During the Period of Declarant Control. Except as otherwise provided in this Article, during the Period of Declarant Control the Declarant may appoint all members of the Board of Directors and officers of the Association and may remove all such members of the Board of Directors and officers of the Association appointed by it. Notwithstanding, no later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units That May Be Included to Owners other than the Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units That May Be Included to Owners other than

Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Board of Directors must be elected by Owners other than the Declarant.

Section 4.3 Termination of the Period of Declarant Control. Not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of Directors (the exact number of members of the Board of Directors to be set forth in the Bylaws of the Association), at least a majority of whom must be Owners other than the Declarant or representatives of the Declarant.

ARTICLE 5. COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 5.1 Creation of Lien and Personal Obligation to Pay Assessments. Each Owner, by acceptance of a deed for a Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual Common Expense Assessments, and such other Assessments as imposed by the Association.

(a) Such Assessments, including but not limited to fees, charges, late fees, attorney fees, fines and interest charged by the Association and additional fees charged by the managing agent, including but not limited to, administration and witness fees, and/or any other charges that may be assessed and/or levied or may be agreed to in the process of collecting past due Assessments, including but not limited to credit card convenience fees from whatever source, shall be the personal obligation of the Owner of such Unit at the time when the Assessment or other charges became or fell due. The personal obligation to pay any past due sums due the Association shall not pass to a successor in title unless expressly assumed by them. No Owner may become exempt from liability for payment of any Assessment by waiver of the use or enjoyment of the Common Area or by abandonment of the Unit against which the Assessment is made.

(b) The Assessments as imposed by the Association, including fees, charges, late fees, attorney fees, fines and interest charged by the Association, and additional fees charged by the managing agent, including but not limited to, administration and witness fees, and/or any other charges that may be assessed and/or levied or may be agreed to in the process of collecting past due Assessments, including but not limited to credit card convenience fees from whatever source, shall be a charge on the respective Unit generating such charges and shall be a continuing lien upon the Unit against which each such Assessment or charge is made. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due.

(c) All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof, except as provided in this Declaration, shall be permitted by any reason including, without limitation, any claim that the Association is not properly exercising its duties and powers under this Declaration. Except as

provided in this Declaration, all Assessments shall be assessed against all Units based on the Common Expense Liability allocated to each applicable Unit as set forth in Section 3.4 of this Declaration.

Section 5.2 Basis of Assessments. The Common Expense Assessment may be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such Assessment year. Unless otherwise provided herein, Common Expenses shall be apportioned among the Units in accordance with the Common Expense Liability allocated to each Unit as set forth in Section 3.4 of this Declaration.

Section 5.3 Annual Assessment. The budget for annual Common Expense Assessments shall be submitted to the Owners for ratification pursuant to Section 303(4) of CCIOA and as set forth in the Bylaws, as the Bylaws may be amended from time to time. The budget may be vetoed by votes of Owners representing a majority of the total Association vote. Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Board of Directors. The omission or failure of the Board of Directors to levy the Common Expense Assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

Section 5.4 Special Assessments. In addition to other authorized Assessments, the Association may levy Special Assessments from time to time to cover previously unbudgeted expenses or expenses in excess of those budgeted, including, without limitation, the costs of any construction, restoration, or unbudgeted repairs or replacements of capital improvements that are not covered by the general reserve fund. The proposed Special Assessment shall be submitted to the Owners for ratification pursuant to Section 303(4) of CCIOA and as set forth in the Bylaws, as the Bylaws may be amended from time to time. A proposed Special Assessment will be ratified unless Owners representing more than a majority of the total votes in the Association vote, either in person or by proxy, to reject the Special Assessment at a meeting called for such purpose. Special Assessments may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. The Board shall have the right to require that Special Assessments be paid in advance of the subject services or materials.

Section 5.5 Individual Purpose Assessments. The Association shall have the right to add to any Owner's Assessment as an Individual Purpose Assessment, without the need of going through the budget ratification process as provided for herein, the following:

- (a) Those amounts expended by the Association for the benefit of any individual Unit or any occupant thereof, including but not limited to: improvement, repair, replacement and maintenance specific to a Unit; or improvement, repair, replacement or maintenance caused by the negligent or willful acts of any Owner, and/or his or her Guests as set forth in this Declaration;

(b) Any extraordinary maintenance, repair, improvement or replacement costs of any area which the Association maintains required on fewer than all the Units;

(c) Any extraordinary insurance costs incurred as a result of the actions of an Owner (or his Guests);

(d) All fines and costs assessed against an Owner pursuant to the Governing Documents; and

(e) Any other expenditures or charges which the Board, in its sole discretion, chooses to allocate to a Unit and are reasonably determined to be allocable to a particular Unit.

Section 5.6 Application of Payments. All payments received on an account of any Owner or the Owner's Unit shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late fees, returned check fees, lien fees and other costs owing or incurred with respect to such Owner pursuant to the Governing Documents, prior to application of the payment to any Assessments due or to become due with respect to such Owner.

Section 5.7 Effect of Non-Payment of Assessments.

(a) Any Assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within fifteen (15) days after the due date thereof, as established by the Board of Directors, shall bear interest at the rate established by the Board of Directors, on a per annum basis to accrue monthly, from the due date, and the Association may assess a reasonable late fee thereon as determined by the Board of Directors.

(b) Failure to make payment within sixty (60) days of the due date thereof shall cause the total amount of such Owner's annual Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. The Board may, in its discretion, decelerate the Owner's annual Common Expense Assessment.

(c) Further, the Association may foreclose its lien and/or bring an action at law or in equity, or all of the same, against any Owner personally obligated to pay such overdue Assessments, charges or fees, or monthly or other installments thereof. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid Assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefor. Likewise, the obtaining of a money

judgment shall not preclude the foreclosure of the Association's lien so long as the judgment remains unsatisfied.

(d) Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent Assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment lien, and an Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under CCIOA.

Section 5.8 Assignment of Rents. If a Unit is rented by its Owner, the rent is hereby pledged and assigned to the Association as security for the payment of all Assessments due by that Owner to the Association. If the Assessments owed by the Owner of a rented Unit are more than thirty (30) days delinquent, the Association may collect, and the occupant or lessee shall pay to the Association, the rent for any Unit owned by the delinquent Owner, or that portion of the rent equal to the amount due to the Association; provided, however, the lessee need not make such payments to the Association in excess of or prior to the due date for monthly rental payments unpaid at the time of the Association's request. The Association shall send notice to the Owner by any reasonable means at least ten (10) days prior to initiating the collection of rent from the Owner's occupant or lessee. The occupant and/or lessee shall not have the right to question the Association's demand for payment. Payment by the occupant or lessee to the Association will satisfy and discharge the occupant or lessee's duty of payment to the Owner for rent, to the extent of the amount paid to the Association. No demand or acceptance of rent under this Section shall be deemed to be a consent or approval of the Unit rental or a waiver of the Owner's obligations as provided in the Declaration. The Association shall not exercise this power where a receiver has been appointed with respect to a Unit or Owner, nor in derogation of the exercise of any rights to rents by the holder of a first lien security interest of a Unit. If an occupant or lessee fails or refuses to pay rent to the Association as provided for in this Section, the Association shall have the right to bring an action for unlawful detainer for non-payment of rent under Colorado statutes, and the costs and attorney fees incurred by the Association in connection with that action shall be collectable from the occupant or lessee in that action, and from the Owner of the Unit in the same manner as any other Assessment under this Declaration.

Section 5.9 Lien Priority. The lien of the Association under this Article is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien security interest on the Unit (except as allowed by CCIOA with regard to the limited lien priority allowed to the Association); and (3) liens for real

estate taxes and other governmental assessments or charges against the Unit. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under state or federal law. The acceptance of a deed to a Unit subject to this Declaration shall constitute a waiver of the homestead exemption as against said Assessment lien. Sale or transfer of any Unit shall not affect the lien for said Assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any first lien security interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of Assessment charges as provided by applicable state law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Owner from continuing liability for any Assessment charges thereafter becoming due, nor from the lien thereof.

Section 5.10 Working Capital Fund. Each Person who purchases a Unit from the Declarant shall make a non-refundable contribution to the Association in an amount equal to two (2) times the then current monthly installment of the annual Common Expense Assessment. Said contribution shall be collected and transferred to the Association at the time of closing of the sale of each Unit and shall, until used, be maintained in a segregated account with other such working capital funds for the use and benefit of the Association, including, without limitation, to meet unforeseen expenditures or to purchase equipment, property or services. Such contribution to the working capital fund shall not relieve an Owner from making regular payment of Assessments as the same become due.

Section 5.11 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and prepayment of or provision for reserves shall be retained by the Association as reserves or in such other funds as the Board of Directors may direct and need not be paid to the Owners or credited to them to reduce future Assessments.

ARTICLE 6. ARCHITECTURAL REVIEW

Section 6.1 Composition of the Architectural Review Committee and Appointment. The Architectural Review Committee will consist of three (3) or more natural persons or a separate entity (such as an architectural firm) appointed by the Board of Directors; provided, however, that until all of the Units That May Be Included have been conveyed to the first Owner thereof other than the Declarant, the Declarant may appoint the Architectural Review Committee. If no Architectural Review Committee is appointed, the Board of Directors shall act as the Architectural Review Committee. The power to "appoint" the Architectural Review Committee, as provided herein, shall include without limitation the power to: constitute the initial membership of the Architectural Review Committee; appoint members to the Architectural Review Committee on the occurrence of a vacancy therein, for whatever reason; and remove any member of the Architectural Review Committee, with or without cause, at any time, and appoint the successor thereof. Each such appointment may be made for such term of office, subject to

the aforesaid power of removal, as may be set from time to time in the discretion of the Board of Directors.

Section 6.2 Architectural Review Requirements; Authority of the Architectural Review Committee.

(a) No Improvement may be constructed, erected, placed, altered, planted, applied, installed or modified, upon any Lot, unless the Improvement is in full compliance with all provisions of the Governing Documents. Prior to constructing, erecting, placing, altering, planting, applying, installing or modifying an Improvement upon any Lot, the Owner of the Lot, the Unit, or the board of directors of any Condominium Association formed in relation to any Condominium Lot, as applicable, must submit plans and specifications for the proposed Improvement to the Architectural Review Committee for review and consideration, and then receive approval in writing from the Architectural Review Committee, all in accordance with the Design Guidelines. Only Owners who are current in payment of Assessments are entitled to request approval from the Architectural Review Committee for any Improvement to be constructed, erected, placed, altered, planed, applied, installed, or modified upon any Lot.

(b) The Architectural Review Committee shall endeavor to exercise its reasonable judgment in an attempt to provide for each proposed Improvement to generally harmonize with the existing surroundings, residences, landscaping and structures.

(c) In its review of such plans, specifications and other materials and information, the Architectural Review Committee may require that the applicant pay an architectural review fee and/or reimburse the Architectural Review Committee for the actual expenses incurred by the Architectural Review Committee in the review and approval process. Such amounts, if any, shall be collectible by the Association in the same manner as Assessments.

Section 6.3 Design Guidelines. The Architectural Review Committee may propose Design Guidelines or revisions or amendments thereto, which may be approved by the Board of Directors, at any time and from time to time. Without limiting the generality of the foregoing, any such Design Guidelines may contain guidelines to clarify the types of designs and materials that may be considered in design approval, may state requirements for submissions in order to obtain review by the Architectural Review Committee, may state procedural requirements, or may specify acceptable Improvements that may be installed without prior approval of the Architectural Review Committee.

Section 6.4 Procedures. The Architectural Review Committee will review and approve in writing (which may be with conditions and/or requirements), or disapprove, each request for architectural approval within thirty (30) days after the complete submission to the

Architectural Review Committee of the plans and specifications and other materials and information which the Architectural Review Committee may require in conjunction therewith in accordance with the design review procedures set forth in the Design Guidelines. If the Architectural Review Committee fails to review and approve in writing (which may be with conditions and/or requirements), or disapprove, a request for architectural approval within thirty (30) days after the complete submission of the plans and specifications and other information requested with respect thereto, such request is deemed denied by the Architectural Review Committee.

Section 6.5 Vote and Appeal. If the Board of Directors is not acting as the Architectural Review Committee, an Owner (or the board of directors of any Condominium Association which has submitted plans for approval pursuant to Section 6.2(a) of this Declaration) whose plans have been disapproved or conditionally approved by the Architectural Review Committee may appeal any such decision of the Architectural Review Committee to the Board of Directors by submitting a written appeal to the Board of Directors within thirty (30) days of the date of the Architectural Review Committee's disapproval or conditional approval. The Board of Directors shall review the decision of the Architectural Review Committee pursuant to the criteria set forth in this Declaration and the Design Guidelines. Any decision of the Architectural Review Committee may be overruled and reversed on appeal by a majority of the Board of Directors by a written decision setting forth the reasons for the reversal when the Board of Directors concludes that the Architectural Review Committee's decision was inconsistent with the criteria set forth in this Declaration and/or the Design Guidelines.

Section 6.6 Commencement and Completion of Construction. All improvements approved by the Architectural Review Committee must be commenced within six (6) months from the date of approval. If not commenced within such time, then such approval shall be deemed revoked by the Architectural Review Committee, unless the Architectural Review Committee gives a written extension for commencing the work. Additionally, except with written Architectural Review Committee approval otherwise, and except for delays caused by strikes, fires, national emergencies, critical materials shortages or other intervening forces beyond the control of the Owner (or the Condominium Association performing the work, pursuant to Section 6.2(a) of this Declaration), all work approved by the Architectural Review Committee shall be completed within twelve (12) months of commencement.

Section 6.7 Inspection of Work. The Architectural Review Committee and the Board of Directors have the right to inspect any Improvement at any time, including prior to or after completion, to determine whether or not the proposed Improvement is being completed or has been completed in compliance with the approval granted pursuant to this Article.

Section 6.8 Variances. The Architectural Review Committee may grant reasonable variances or adjustments from any conditions and restrictions imposed by this Declaration or the Design Guidelines in order to overcome practical difficulties and unnecessary hardships arising

by reason of the application of the conditions and restrictions contained in this Declaration or in the Design Guidelines.

Section 6.9 Waivers. The approval or consent of the Architectural Review Committee to any application for architectural approval shall not be deemed to constitute a waiver of any right to hold or deny approval or consent by the Architectural Review Committee as to any application or other matters subsequently or additionally submitted for approval or consent.

Section 6.10 Liability. Neither the Declarant, the Association, the Board of Directors, the Architectural Review Committee, nor any agent, representative, affiliate, designee, consultant or contractor of any the same (collectively, the “**Released Parties**”) are liable or shall be liable to any Person by reason of any action, including but not limited to failure to act, approval (which may be with conditions and/or requirements), disapproval, or failure to approve or disapprove, in regard to any matter whether for damage or in equity. In reviewing or approving any matter, the Released Parties are not responsible for any issue related to the Improvements, whether structural or otherwise, and whether submitted for review or otherwise. The Released Parties are not responsible for any matter related to safety. The Released Parties are not responsible for the conformance of Improvements with applicable law or compliance with any other standard or regulation, and any approval (which may be with conditions and/or requirements) of any Improvement by the Architectural Review Committee will not be deemed an approval of any such matters, will not be deemed to represent that the Improvement conforms to applicable law or complies with any other standards or regulations, and will not constitute a warranty by the Released Parties to any applicant of the adequacy of design, workmanship or quality of such work or materials for any applicants’ intended use. The Released Parties shall not be held liable for matters related to their decisions including, but not limited to soil conditions, ground water, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition or quality of work of any contractor or its subcontractors, employees or agents, whether or not any of the Released Parties have approved or featured such contractor as a builder in the Property; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot or Unit. In all matters, the Released Parties shall be defended and indemnified by the Association as provided in Section 3.7 of this Declaration. The Architectural Review Committee will not make any investigation into title, ownership, easements, rights-of-way, or other rights appurtenant to property with respect to architectural requests and shall not be liable for any disputes relating to the same. No Person is a third party beneficiary of any obligation imposed upon, rights accorded to, action taken by, or approval granted by, the Released Parties. Each Owner (i) waives and releases the Released Parties from all claims related to approval or disapproval of any Improvements and (ii) waives and releases all claims against the Released Parties. The foregoing release and waiver are made by each Owner and each Condominium Association to the fullest extent permitted by the law and for and on behalf of itself, its assigns, executors, heirs, occupants, personal representatives, representatives, and successors. The Released Parties shall not be liable for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Released

Parties have no personal liability with respect to any contract or other commitment made or action taken on behalf of the Released Parties.

Section 6.11 Declarant's Exemption. Notwithstanding anything to the contrary, the Declarant is exempt from this Article and all provisions of this Declaration that require Architectural Review Committee review and/or approval.

ARTICLE 7. MAINTENANCE AND SERVICE RESPONSIBILITIES

Section 7.1 Association Maintenance and Service Responsibilities.

(a) The Board of Directors of the Association shall determine the specifications, scope, extent, nature and parameters of the Association's maintenance and service responsibilities. The Association shall maintain, repair, replace, and keep in good repair in a workmanlike manner as a Common Expense the Common Area and all Improvements thereon. Additionally, the Association shall be responsible to maintain, repair, replace, and keep in good order the entry sign and related landscaping located on Lot 18, the sidewalks constructed within the 5' pedestrian easements as shown on the Plat, and any common parking areas constructed within any parking easements shown on the Plat.

(b) The Association may, in its sole discretion, assume the obligation for maintenance or repair of additional property, either real or personal, which lies within or outside the Property. The Association shall have the right to assume such obligation even if the obligation currently lies with Owners or other entities, provided, however, the Association shall provide Owners and any Condominium Association, as applicable, with fifteen (15) days prior written notice of the assumption of any obligation which would normally be that of the Owners or a Condominium Association pursuant to this Declaration. The Association, in its sole discretion, shall determine the time and manner in which any maintenance, whether required or assumed, shall be performed, as well as the color and/or type of materials used.

(c) Liability of Association.

(i) The Association shall not be liable to the Owner of any Unit, or such Owner's Guests, or to any Condominium Association for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Area.

(ii) The Association shall not be liable to any Owner, or any Owner's Guests, or to any Condominium Association for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities.

(iii) No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 7.2 Owner's Maintenance Responsibility.

(a) The maintenance, repair and replacement of each Lot or Unit and the Improvements thereon shall be performed by the Owner thereof at such Owner's sole cost and expense, or by the Condominium Association governing any Condominium Lot, as may be required by the governing documents of such Condominium Association. Each Lot shall be maintained in a clean, sightly and wholesome condition.

(b) Each Owner or Condominium Association, as applicable, shall have the responsibility to:

(i) Perform such maintenance responsibility in such manner so as not to unreasonably disturb persons on other Lots or Units;

(ii) Promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible; and

(iii) Pay for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Owner or Condominium Association, as applicable, but which responsibility such Owner or Condominium Association fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of an Owner (or his or her Guests) or a Condominium Association, with the cost thereof to be added to and become part of the Owner's next chargeable Assessment as an Individual Purpose Assessment, or the cost thereof to be the obligation of the Condominium Association, as applicable.

(c) Because the Attached Residential Units constructed on each Multi-Family Lot are attached via Party Walls, and the exterior materials and colors used on each Attached Residential Unit within each Multi-Family Building were designed to coordinate and complement one another, careful consideration must be given by the Owners of each Attached Residential Unit within a Multi-Family Building in relation to maintaining the overall appearance of any such Multi-Family Building. The Owners of each Attached Residential Unit within a Multi-Family Building shall coordinate the maintenance, repair and/or replacement of the exterior building surfaces, including the roof, of such attached residences in order to maintain a consistent and uniform exterior appearance. The Board of Directors may promulgate Design Guidelines as deemed necessary, advisable or appropriate to ensure that the exteriors of each Attached Residential Unit within a Multi-Family Building are maintained, repaired and/or replaced in such a uniform and consistent manner.

(d) In relation to maintenance of any landscaping that is the obligation of an Owner or a Condominium Association, the Association may adopt rules regulating the times during which Owners or any Condominium Association may water any irrigated landscaping which is the maintenance obligation of such Owner or Condominium Association. Further, each Owner and Condominium Association acknowledge that, during times of drought or otherwise, the Town of Minturn may impose watering restrictions which may be more restrictive than those generally imposed by the Association, which may be enforced by the Town of Minturn.

Section 7.3 Inspection, Repair and Replacement of Designated Owner Maintenance Components. If the Association, either through inspection or otherwise, determines that any Owner or any Condominium Association has failed or refused to discharge properly its maintenance obligations as set forth in this Declaration, then the Association may give the Owner or Condominium Association, as applicable, written notice of the Owner's or Condominium Association's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's or the Condominium Association's cost and expense, as applicable. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Association.

The Owner or the Condominium Association shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If an Owner or a Condominium Association has not complied with the demand given by the Association as provided in this Section, the Association may provide any such maintenance, repair, or replacement. The Owner or the Condominium Association, as applicable, shall then be responsible for any costs incurred by the Association to provide such maintenance, repair, or replacement, and the Association shall seek reimbursement of the same, which in the case of an

Owner, shall be collected as an Individual Purpose Assessment in compliance with and under the terms of this Declaration.

Section 7.4 Owner's Negligence. If the Board determines that the need for maintenance or repair of any portion of the Common Area, any Lot, any Unit, or otherwise is a Common Expense and is caused through the willful or negligent act of any Owner or his Guests, then the Association may assess the cost of any such maintenance, repair, or replacement against the Owner's Unit as an Individual Purpose Assessment, which shall become a lien against the Unit, and shall be collected as provided in this Declaration for the collection of Assessments.

ARTICLE 8. INSURANCE

Section 8.1 Insurance to be Carried by the Association. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth in this Declaration, which insurance coverage shall be provided by financially responsible and able companies duly authorized to do business in the State of Colorado. All insurance purchased by the Association shall be purchased from companies with ratings of "A" or better, to the extent that insurance is available at reasonable cost to the Association through such companies.

Section 8.2 Real Property Insurance on the Common Area.

(a) The Association shall obtain insurance providing all risk coverage or the nearest equivalent available for the full replacement cost, without deduction for depreciation, for all insurable improvements located on the Common Area or for which the Association has the maintenance obligation, as more fully provided herein, and the other property of the Association.

(b) All policies shall contain a standard non-contributory mortgage clause in favor of each first mortgagee, and their successors and assigns, which shall provide that the loss, if any, thereunder shall be payable to the Association for the use and benefit of such first mortgagee, and their successors and assigns, as their interests may appear of record in the records of the office of the Clerk and Recorder of Eagle County, Colorado.

(c) The Association may also obtain any additional endorsements which it deems advisable and in the best interests of the Property by the Board of Directors.

(d) The insurance described in this Section shall be inflation coverage insurance, if such insurance is available, which shall at all times represent one hundred percent (100%) of the replacement value of all Improvements in the Common Area except land, foundation, excavation and other items normally excluded from coverage and except for any deductible provisions as permitted under this Article.

(e) The Association's insurance policy may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property.

Section 8.3 Association Flood Insurance. The Association shall obtain flood insurance to the extent required by the Federal Emergency Management Agency (FEMA) or any other governmental agency.

Section 8.4 Liability Insurance. The Association shall obtain a comprehensive policy of public liability and property damage liability insurance covering the Common Area, in such limits as the Board may from time to time determine, but not in any amount less than a combined single limit of \$1,000,000.00, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of the Common Area. The foregoing liability insurance shall name the Association as the insured.

Section 8.5 Fidelity Insurance. The Association shall obtain fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees, volunteers and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity insurance shall be in an amount at least covering the Association's reserves plus two months' worth of Common Expense Assessments.

Section 8.6 Workers Compensation. The Association shall obtain and maintain workers' compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in forms now or hereafter required by law.

Section 8.7 Director and Officer Liability Insurance. The Association shall purchase directors' and officers' insurance in an amount reasonably necessary to protect the directors and officers of the Association. Such insurance should include coverage for claims brought seeking both monetary and/or non-monetary damages.

Section 8.8 Other Insurance. The Association may obtain insurance against such other risks, of similar or dissimilar nature, as it shall deem appropriate with respect to the Association's responsibilities and duties.

Section 8.9 Miscellaneous Terms Governing Insurance Carried by the Association. The Association shall maintain, to the extent reasonably available and necessary, policies with the following terms or provisions:

(a) All policies of insurance shall provide that each Owner is an insured under the policy with respect to liability arising out of such Owner's membership in the Association.

(b) All policies of insurance shall contain waivers of subrogation against any Owner or member of his or her household.

(c) All policies of insurance shall contain waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be canceled or modified without at least thirty (30) days prior written notice to all of the Owners, holders of first mortgages on any of the Units who request such notification, and the Association.

(d) If requested, certificates of insurance and renewals thereof, together with proof of payments of premiums, shall be delivered to holders of first mortgages on the Units at least ten (10) days prior to expiration of the then current policies.

(e) All liability insurance shall be carried in blanket form naming the Association, the board, the manager or managing agent, if any, and the officers of the Association as insureds.

(f) All policies of insurance of the Association shall be primary, providing the primary insurance of the loss, if there is other insurance in the name of an Owner.

(g) All policies of insurance shall provide that the insurance thereunder shall not be invalidated, suspended, voidable or have any condition of recovery due to an act or omission by any Owner, only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to the Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Section 8.10 Insurance Obtained by Owners. Each Owner shall be responsible for maintaining insurance which covers his Unit and all Improvements thereon, unless such insurance is provided by a Condominium Association governing any Condominium Lot, as may be required by the governing documents of such Condominium Association. Such insurance shall include, but may not be limited to, furnishings and personal or other property in the home on or in the Unit and liability insurance for injury, death or damage in or upon the Unit. Any such policy shall contain waivers of subrogation and shall be so written that the liability of the

carriers issuing insurance obtained by the Association shall not be affected or diminished thereby.

Section 8.11 Insurance Premium. Insurance premiums for insurance carried by the Association shall be a Common Expense to be included as a part of the annual Common Expense Assessments levied by the Association.

Section 8.12 Managing Agent Insurance. The manager or managing agent, if any, shall be insured for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association, including professional liability or errors and omissions insurance, workers' compensation, unemployment and fidelity coverage.

Section 8.13 Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and Owners, the Association and the Owners hereby waive and release all claims against one another and the Board of Directors, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by these Persons.

Section 8.14 Adjustments by the Association. Any loss covered by an insurance policy carried by the Association shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association, and not to any holder of a mortgage on any Unit. The Association shall hold any insurance proceeds in trust for the Association, Owners and such mortgagees as their interests may appear. The proceeds must be distributed 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. If the insurance proceeds are insufficient to cover the cost of repair or reconstruction, the Association may levy a Special Assessment to cover the short fall (or deductible) as more fully provided in Section 8.18 of this Declaration.

Section 8.15 Duty to Repair. Any portion of the Common Area for which insurance is required to be carried by the Association under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association.

Section 8.16 Condemnation and Casualty Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Owners, the distribution shall be to the parties as their interests and rights are determined or allocated by record or as set forth in CCIOA.

Section 8.17 Responsibility for Payment of Deductible Amount. Whether the Board, in its discretion, chooses to submit a claim under the Association insurance policies or not, the Association shall pay or absorb the deductible amount (or the amount of the loss if such amount is less than the deductible) for damage to Common Area unless the damage is the liability of an

Owner, his Guests, or a Condominium Association, as set forth in this Declaration. The Owner or the Condominium Association, as applicable, shall then be responsible for such deductible amount, and the Association shall seek reimbursement of the deductible amount, which in the case of an Owner, shall be collected as an Individual Purpose Assessment in compliance with and under the terms of this Declaration.

Section 8.18 Insurance Assessments. If the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair due to deductibles allocated to the Association or failure of the Association to maintain coverage to defray costs of repair and reconstruction which in the absence of insurance would be the maintenance responsibility of the Association, the deductible or additional cost shall be a Common Expense. Notwithstanding the budget ratification procedure set forth in this Declaration, the insurance Assessment shall be ratified unless vetoed by Members holding at least sixty-seven percent (67%) of the total votes entitled to be cast in the Association pursuant to Section 303(4) of CCIOA and as set forth in the Bylaws, as the Bylaws may be amended from time to time.

Section 8.19 Association as Attorney-in-Fact. Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of dealing with any improvements covered by insurance written in the name of the Association pursuant to this Article upon their damage or destruction as provided in this Declaration, or a complete or partial taking or condemnation as provided in this Declaration. Acceptance by a grantee of a deed or other instrument of conveyance 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. Furthermore, if so requested, an Owner shall execute a separate instrument specifically setting forth this appointment.

ARTICLE 9. USE RESTRICTIONS

Section 9.1 Application of the Covenants and Restrictions. All Units within the Property shall be held, used and enjoyed subject to the following limitations and restrictions. Failure to enforce any provision of this Declaration or other Governing Documents shall not operate as a waiver of any such provision or of any other provision of this Declaration or other Governing Documents. Owners acknowledge that the Property is subject to Belden Place PUD Guide & Attainable Housing Program, approved by the Town of Minturn, Colorado on _____, as well as such other zoning or other codes or regulations adopted by the Town of Minturn, all of which are subject to enforcement by the Town of Minturn. The provisions of this Declaration may place additional or more restrictive provisions on the Property than the same, and to the extent of any contradictions, the more restrictive provisions shall control.

Section 9.2 Authority. All provisions of the Governing Documents shall apply to Owners and their Guests. Owners and their successors and assigns, by acceptance of a deed to a Unit, acknowledge that they have been given notice, and that:

(a) The ability of Owners to use their Units may be limited by the provisions in the Governing Documents.

(b) The Board may, from time to time, adopt or clarify definitions of words, phrases and terms used in this Declaration and other Governing Documents.

(c) The Board may establish penalties for the infraction of all regulations and Owners will be responsible for fines assessed against their Guests for violations of the restrictions.

(d) All fines imposed are collectable as Assessments.

Section 9.3 Use/Occupancy. All Units within the Property shall be used for residential use only, including uses which are customarily incident thereto, and shall not be used at any time for business, commercial or professional purposes. Notwithstanding the foregoing, Units may be used for business activities provided that the following are satisfied:

(a) The business conducted is clearly secondary to the residential use of the home and is conducted entirely within the home;

(b) The existence or operation of the business is not detectable from outside of the home by sight, sound, smell or otherwise, or by the existence of signs indicating that a business is being conducted;

(c) The business does not result in an undue volume of traffic or parking within the Property, which determination may be made by the Board of Directors in its sole discretion from time to time;

(d) The business conforms to all zoning requirements and is lawful in nature; and

(e) The business conforms to any Rules and Regulations that may be imposed by the Association from time to time on a uniform basis to protect the peace, tranquility and quality of the Property.

Notwithstanding the above, however, Units may be used for a home-based day care business, subject to all applicable licensing requirements of the State of Colorado, the Town of Minturn, and/or Eagle County; provided, however, that no signage or advertisement regarding

such day care business may be displayed on the Unit. For purposes of this section a home-based day care business is defined as set forth in §26-6-102(13), C.R.S.

Section 9.4 Leasing and Occupancy. Any Owner shall have the right to lease or allow occupancy of a Unit upon such terms and conditions as the Owner may deem advisable, subject to restrictions of this Declaration, subject to restrictions of record, and subject to the following:

(a) **"Leasing" or "Renting"** for the purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner, provided, however, for the purposes of this Declaration, leasing shall not include the occupancy of the Unit by the child or parent of an Owner. For the purposes of this Declaration, occupancy by a roommate of an Owner who occupies the Unit as such Owner's primary residence shall not constitute leasing.

(b) No short term rentals, as defined per the Town of Minturn Municipal Code shall be allowed.

(c) All leases or rental agreements shall be in writing and shall provide that the leases or rental agreements are subject to all terms of the Governing Documents. Owners are required to provide tenants with copies of the current Declaration, Articles of Incorporation, Bylaws and any Rules and Regulations of the Association.

(d) Each Owner who leases his or her Unit shall provide the Association, upon request, a copy of the current lease and tenant information, including the names of all occupants, vehicle descriptions, including license plate numbers, and any other information reasonably requested by the Association or its agents.

(e) Each Owner is strongly encouraged to conduct full background checks, including credit and criminal reports, for each lease applicant.

(f) All occupancies, leases and rental agreements of Units shall state that the failure of the tenant, lessee, renter or their Guests to comply with the terms of the Governing Documents shall constitute a default of the occupancy, lease or rental agreement and of this Declaration and such default shall be enforceable by either the Association or the landlord, or by both of them.

(g) All occupancies of Units shall be subject to the right of the Association to remove and/or evict the occupant for failure to comply with the terms of the Declaration, the Bylaws of the Association, the Articles of Incorporation or the Rules and Regulations of the Association. If the Association requests that the Owner evict the Owner's tenant based on the terms of this Declaration, and the Owner fails to commence such action within thirty (30) days of the date of the Association's request and notice, the Association may commence eviction proceedings. Upon failure by the Owner to comply with the

Association's request to evict, the Owner delegates and assigns to the Association, acting through the Board, the power and authority to evict the lessee as attorney-in-fact on behalf of and for the benefit of the Owner. If the Association evicts the lessee, any costs, including, but not limited to, reasonable attorney fees actually incurred and court costs associated with the eviction shall be an Individual Purpose Assessment and lien against the Unit.

(h) Leases shall be for or of the entire Unit.

(i) All Owners who reside at a place other than the Unit shall provide to the Association an address and phone number(s) where the Owner can be reached in the case of emergency or other Association business. It is the sole responsibility of the Owner to keep this information current.

(j) The Association shall have the authority to adopt Rules and Regulations regarding leasing, including the implementation of this restriction, and for implementation of other restrictions in the Declaration and as allowed by law.

Section 9.5 Restrictions on Pets. No animals, livestock, birds, poultry, reptiles or insects of any kind shall be raised, bred, kept or boarded in or on the Units; provided, however, that a reasonable number of dogs, cats, or other domestic animals which are bona fide household pets may be kept in or on a Unit, so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Property. When on the Common Area, pets must be on a leash and under control. Feces left by pets upon the Common Area must be removed promptly by the owner of the pet or the person responsible for the pet. Additionally, the Association shall have, and is hereby given, the right and authority to: set a size or poundage limit on pets; regulate the type(s) of pets that are permitted to be kept; determine in its sole discretion that any dog(s), cat(s), or other household pet(s) are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance; or determine that an Owner is otherwise in violation of the provisions of this Section. In any of the foregoing instances, the Association may take such action or actions as it deems appropriate to correct the same, including the right to require removal of the pet from the Property. The right to keep household pets shall be coupled with the responsibility to pay for any damage caused by such pets, as well as any costs incurred by the Association as a result of such pets.

Section 9.6 Antennae. "**Permitted Antennas**" are defined as (a) an antenna which is one (1) meter or less in diameter and is designed to receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite; (b) an antenna which is one (1) meter or less in diameter or diagonal measurement and is designed to receive video programming services via broadband radio service (wireless cable) or to receive or transmit fixed wireless signals other than via satellite; (c) an antenna which is designed to receive local television broadcast signals; or (d) other antennas which are expressly

permitted under applicable federal statutes or regulations. In the event a Permitted Antenna is no longer expressly permitted under applicable federal statutes or regulations, such antenna will no longer be a Permitted Antenna for purposes of this Section.

Permitted Antennas shall be installed in the least conspicuous location available on a Lot or Unit which permits acceptable signals, without unreasonable delay or increase in the cost of installation, maintenance or use of the Permitted Antenna. The Association may adopt Design Guidelines regarding location and installation of Permitted Antennas, subject to limitations of applicable federal law. Except as allowed by federal statutes and regulation, no exterior television or any other antennae, microwave dish, satellite dish, satellite antenna, satellite earth station or similar device of any type shall be erected, installed or maintained on a Lot or Unit.

Section 9.7 Tanks. No tanks of any kind (either elevated or buried), except for small portable tanks associated with an outdoor gas grill, shall be erected, placed or permitted upon any Lot or Unit without the prior written approval of the Architectural Review Committee.

Section 9.8 Nuisances. No nuisance shall be permitted within the Property, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Owner or which may unreasonably interfere with the peaceful enjoyment or possession or the proper use of a Unit or any Common Area, or any portion of the Property by residents.

Section 9.9 Vehicular Parking, Storage, and Repairs.

(a) Except for parking on the public streets, which shall be controlled and enforced by the Town of Minturn or Eagle County, as applicable, all parking within the Property and upon any Common Area shall be regulated by the Association. Owners and residents may only park in those parking or garage spaces assigned or appurtenant to such Owner's or resident's Unit, and are not permitted to park in any parking spaces designated by the Association as being exclusively for the parking of Guests' vehicles.

(b) The following may not be parked or stored on a Lot within the Property, unless such parking or storage is within a garage on a Lot, or unless authorized in writing by the Association or as otherwise exempted by Colorado law: oversized vehicles, commercial vehicles (as may be defined by the Board of Directors in the Rules and Regulations), trailers, camping trailers, boat trailers, hauling trailers, work trailers, one-ton trucks or larger, boats or accessories thereto, self-contained motorized recreational vehicles, or other oversized types of vehicles or equipment as prohibited by Rules and Regulations. Notwithstanding, the foregoing may be parked as a temporary expedience for loading, unloading, or delivery of goods or services for a period of twenty-four (24) consecutive hours. This restriction shall not apply to vehicles temporarily located within the Property which are necessary for construction or for the maintenance of any Common Area, Lots, Units, or any improvement located thereon.

(c) No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked on a Lot within the Property unless parked or stored within a garage. An "abandoned or inoperable vehicle" shall be defined by Colorado statutes governing inoperable, unlicensed or abandoned vehicles on public streets, or as defined by Rules and Regulations adopted by the Association.

(d) No motor vehicle may impede the safe and efficient use of streets, driveways or alleys within the Property by residents, obstruct emergency access to and/or from the Property, or interfere with the reasonable needs of other residents to use their driveway, streets, or Guest parking within the Property.

(e) No activity such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer or boat may be performed or conducted outside of garages in the Property. Notwithstanding, minor repairs may be performed outside of a garage on a Lot, provided they may be completed the day commenced, there is no damage (e.g., oil, residue) to paved areas, and all equipment and parts are removed upon completion of the work. No vehicles may be left unattended on jacks or jack stands. This provision shall not be deemed to prevent washing and polishing of a vehicle, together with those activities normally incident and necessary to such washing and polishing, provided washing is done with a hose with a shut off valve to prevent waste of water.

(f) Parking in fire lanes (as designated by the Association or as designated by local government or a local fire protection authority) shall not be permitted.

(g) If any vehicle is parked on any portion of the Property in violation of this Section or in violation of the Association's Rules and Regulations, the Board may place a notice on the vehicle specifying the nature of the violation and stating that after forty-eight (48) hours the vehicle may be towed or booted. The notice shall include the name and telephone number of a person to contact regarding the alleged violation. A notice shall also be conspicuously placed at the Property stating the name and telephone number of the person or entity which will do the towing and/or booting hereunder. If forty-eight (48) hours after such notice is placed on the vehicle the violation continues or thereafter occurs again within six (6) months of such notice, the vehicle may be towed or booted in accordance with the notice, without further notice to the vehicle owner or user, and the owner thereof shall be solely responsible for all towing and storage charges.

(h) If a vehicle is parked in a fire lane, is blocking another vehicle or access to another Owner's or occupant's Unit, is obstructing the flow of traffic, is parked on any grassy area, is parked in a space which has been assigned as exclusively serving another Unit, or otherwise creates a hazardous condition, no notice shall be required and the vehicle may be towed or booted immediately.

(i) If a vehicle is towed or booted in accordance with this Section, neither the Association nor any officer or agent of the Association shall be liable to any person for towing and storage costs or for any claim of damage as a result of the towing or booting activity. The Association's right to tow or boot is in addition to, and not in limitation of all other rights of the Association, including the right to assess fines. Notwithstanding anything to the contrary in this Section, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

Section 9.10 Use of Common Area. There shall be no obstruction of any Common Area, nor shall anything be kept or stored on any part of the Common Area without the prior written approval of the Board of Directors. Nothing shall be altered on, constructed in, or removed from any Common Area without the prior written approval of the Board of Directors.

Section 9.11 No Annoying Lights, Sounds or Odors. No light shall be emitted from any portion of the Property which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any portion of the Property which would reasonably be found by others to be noxious or offensive. Without limiting the generality of the foregoing, no exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of the Property except with the prior written approval of the Architectural Review Committee.

Section 9.12 No Hazardous Activities. No activity shall be conducted on and no Improvement shall be constructed on any Property within the Property which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property within the Property. No open fires shall be lighted or permitted on any Property within the Property except in a contained barbeque unit while attended and in use for cooking purposes or within an interior or exterior fireplace designed to prevent dispersal of burning embers unless otherwise prohibited by governmental ordinances. No Owner shall permit any condition on his Unit which creates a fire hazard or is in violation of applicable fire prevention regulations.

Section 9.13 Restrictions on Clotheslines and Storage. Except for retractable clotheslines which comply with reasonable aesthetic regulations adopted by the Board of Directors and except as otherwise permitted by Colorado law, no clotheslines drying areas or yards, service yards, shops, equipment, storage or storage areas shall be installed, allowed, kept, maintained or permitted on any Lot or Unit unless the same, in each instance, is expressly permitted in writing by the Architectural Review Committee.

Section 9.14 Restrictions on Flags, Signs and Advertising Devices. The display of flags and signs is permitted in accordance with CCIOA and the Design Guidelines. Owners acknowledge that certain signs may require approval from the Town of Minturn, as applicable, in accordance with the Town of Minturn Municipal Code.

Section 9.15 Outbuildings. An "outbuilding" shall mean an enclosed or covered structure not directly attached to the dwelling it serves. No outbuilding or temporary structure, including sheds, trailers, mobile homes, tents, shacks, barns, or detached garages or carports, shall be allowed on any Lot unless approved in writing by the Architectural Review Committee. Further, no outbuilding or temporary structure shall be used on any Lot at any time for residential purposes, either temporarily or permanently.

Section 9.16 Trash Removal Restriction. No garbage, refuse, rubbish, or cuttings shall be deposited on any street or road, or on any portion of the Common Area, or on any Lot, unless placed in a suitable container and suitably located. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. When not placed out for collection in accordance with any Rules and Regulations of the Association, all garbage cans, trash cans or receptacles shall be stored in an enclosed structure (such as in the garage of the residence constructed on the Lot) or in a fenced or screen area approved by the Architectural Review committee. If trash removal is a service offered by the Association to Owners, then the Association shall have the exclusive right to engage a trash removal contractor on behalf of the Owners.

Section 9.17 Maintenance of Grade and Drainage. The grading upon each Lot shall be maintained by the Owner thereof, or by the Condominium Association governing any Condominium Lot, as applicable, at the slope and pitch fixed by the final grading thereof. No Owner or Condominium Association shall interfere in any way with the established drainage pattern over the Lot from adjoining or other real property. For purposes of this Section, "established drainage" is defined as the drainage which exists at the time final grading on the Lot is completed by the builder of home or the condominium buildings on the Lot, as applicable. Any Owner or Condominium Association who changes the established drainage on a Lot may void warranties applicable to affected components of the home or condominium buildings and shall be liable for all costs and expenses of repairing such changes, or any costs, liabilities, damages or causes of action arising out of such changes. Each Owner and Condominium Association shall hold harmless the Declarant, the Association, the Board of Directors and the Architectural Review Committee for any and all damage to any party caused by any change to the established drainage on an Owner's Lot or on a Condominium Lot, as applicable.

Section 9.18 Rules and Regulations. In furtherance of the provisions of this Declaration, Rules and Regulations concerning and governing the Property or any portion thereof may be adopted, amended, or repealed from time to time by the Board of Directors. The Board of Directors may establish and enforce penalties for the infraction thereof.

Section 9.19 Use of the Words "Belden Place" and "Belden Place Owners Association, Inc.". No resident, Owner, or Condominium Association shall use the words "Belden Place" or "Belden Place Owners Association, Inc." or the logo of the Property or the Association, if any, or any derivative thereof, in connection with any goods, materials or services, the use of which is

likely to cause confusion, mistake or deception as to the source or origin of such goods, materials or services, without the prior written consent of the Association.

ARTICLE 10. DISPUTE RESOLUTION PROCEDURES

Section 10.1 Definitions Applicable to this Article 10. For purposes of this Article 10 only, the following terms have the meanings set forth in this Section 10.1:

(a) “**JAG**” means the Judicial Arbiter Group or any other Person agreed to by the Claimant and the Respondent in writing for the purpose of performing the functions of the Judicial Arbiter Group under this Declaration with a minimum of ten (10) years’ experience in the subject matter of the dispute. In the event that the Judicial Arbiter Group becomes unwilling or unable to perform its functions under this Declaration, JAG shall refer to any organization in the Denver Metropolitan Area designated by the Declarant that specializes in the provision of impartial mediation and arbitration services and that has a minimum of ten (10) years’ experience in the provision of such services.

(b) “**Bound Party**” means each of the Persons subject to this Declaration and any Person not otherwise subject to this Declaration who agrees to submit to this Article 10. Notwithstanding the foregoing, “Bound Party” does not include any of the parties identified in this subsection 10.1(b) if such parties have jointly entered into a separate written agreement providing for dispute resolution applicable to the Claim. In such circumstance, the dispute resolution mechanism set forth in such separate written agreement between such parties shall apply with respect to such Claim unless the parties mutually agree to submit such Claim to the provisions of this Article 10.

(c) “**Claimant**” means any Bound Party having a Claim.

(d) “**Claim**” means, except as exempted by the terms of this Article 10, any claim, grievance or dispute between one Bound Party and another Bound Party, regardless of how the same may have arisen or on what it might be based, including those arising out of or related to the interpretation, application or enforcement of any of the Governing Documents or the rights, obligations and duties of any Bound Party under any of the Governing Documents; or (ii) any statements, representations, promises, warranties, or other communications made by or on behalf of any Bound Party.

(e) “**Notice**” means the written notification given by a Claimant to a Respondent and which shall comply with the requirements of subsection 10.5(a) of this Declaration.

(f) “**Party**” means the Claimant and the Respondent individually; “**Parties**” means the Claimant and the Respondent collectively.

(g) “**Respondent**” means any Bound Party against whom a Claimant asserts a Claim.

(h) “**Termination of Mediation**” means a period of time expiring thirty (30) days after submission of the matter to mediation (or within such other time as determined by the mediator or agreed to by the Parties) and upon the expiration of which the Parties have not settled the Claim.

(i) “**Termination of Negotiations**” means a period of time expiring thirty (30) days after the date of the Notice (or such other period of time as may be agreed upon by the Parties) and upon the expiration of which the Parties have not resolved a Claim.

Section 10.2 Intent of Article; Applicability of Article; and Applicability of Statutes of Limitation.

(a) Each Bound Party agrees to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit any Claims to the procedures set forth in Section 10.5 of this Declaration.

(b) By acceptance of a deed to a Unit, each Owner agrees to abide by the terms of this Article 10.

(c) Any applicable statute of limitation shall apply to the alternative dispute resolution procedures set forth in this Article 10.

Section 10.3 Commencement or Pursuit of Claim Against Bound Party.

(a) A Bound Party may not commence or pursue a Claim against any other Bound Party except in compliance with this Article 10.

(b) Prior to any Bound Party commencing any proceeding to which another Bound Party is a party, the Respondent shall have the right to be heard by the Claimant, and to access, inspect, correct the condition of, or redesign any portion of any Improvement as to which a defect is alleged or otherwise correct the alleged dispute.

Section 10.4 Claims. Unless specifically exempted below, all Claims between any of the Bound Parties are subject to the provisions of this Article 10. Notwithstanding the foregoing, unless all Parties otherwise agree, the following are not Claims and shall not be subject to the provisions of this Article 10:

(a) Any action or suit by the Association regarding the imposition or

collection of Assessments or other charges levied by the Association pursuant to this Declaration, including actions to foreclose Assessment liens;

(b) Any action or suit by the Association or the Declarant to enforce any provisions of the Governing Documents, including obtaining a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as a court may deem necessary;

(c) Counterclaims brought by the Association in proceedings instituted against it;

(d) Any suit between or among Owners, which does not also include the Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents; and

(e) Any suit in which any indispensable party is not a Bound Party.

Section 10.5 Mandatory Procedure.

(a) *Notice.* Prior to proceeding with any Claim against a Respondent, each Claimant shall give a Notice to each Respondent, which Notice shall state plainly and concisely:

(i) The nature of the Claim, including all Persons involved and the Respondent's role in the Claim;

(ii) The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) The proposed remedy; and

(iv) The fact that the Claimant will give the Respondent an opportunity to inspect all property and Improvements potentially involved with the Claim, and that the Claimant will meet with the Respondent within a reasonable amount of time after such inspection to discuss in good faith ways to resolve the Claim.

(b) *Negotiation and Mediation.*

(i) The Parties will make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, any Party may appoint a representative to assist the Parties in negotiation.

(ii) Upon the Termination of Negotiations, the Claimant has thirty (30) days to submit the Claim to mediation under the auspices of JAG in accordance with the rules of JAG in effect on the date of the Notice that is provided for in subsection 10.5(a) of this Declaration.

(iii) If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, the Claimant waives the Claim, and the Respondent will be released and discharged from any and all liability to the Claimant on account of such Claim.

(iv) Any settlement of the Claim through mediation must be documented in writing by the mediator and signed by the Parties. If a Termination of Mediation occurs, the mediator must issue a notice of Termination of Mediation. The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

(v) Each Party will bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator.

(vi) If the Parties agree to a resolution of any Claim through negotiation or mediation and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Article 10. In such event, the Party taking action to enforce the agreement will recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including attorneys' fees and court costs.

(c) *Binding Arbitration.*

(i) Upon the Termination of Mediation, if the Claimant desires to pursue the Claim, the Claimant may initiate final, binding arbitration of the Claim under the auspices of JAG in accordance with the rules of JAG in effect on the date of the Notice that is provided for in Section 10.5(a) of this Declaration.

(ii) If the Association is the Claimant and the Claim the Association is initiating is a construction defect action, as defined in §38-33.3-303.5(1)(b), C.R.S., the Association shall follow the notice procedures and obtain the Owner approval required by §38-33.3-303.5, C.R.S., prior to initiating final, binding arbitration of such Claim.

(iii) Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. Unless otherwise mutually agreed to by the Parties, one arbitrator who has expertise in the areas of the dispute, which may include legal expertise if legal issues are involved, will arbitrate the dispute.

(iv) Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the arbitrator shall award reasonable attorneys' fees and expenses incurred in defending such contests, including those incurred in trial or on appeal, to the non-contesting Party. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator.

Section 10.6 Award. The award of the arbitrator must be accompanied by detailed written findings of fact and conclusions of law. Except as required by applicable law or for confirmation of an award, neither Party nor an arbitrator may disclose the existence, content, or results of any arbitration without the prior written consent of all Parties.

ARTICLE 11. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Section 11.1 Development Rights. The Declarant hereby reserves for itself and its successors and assigns, the following rights, herein after the "**Development Rights**":

- (a) The right to add real estate to the Property, as more fully provided in Section 11.4 herein;
- (b) The right to create Lots, Units, or Common Area within the Property;
- (c) The right to subdivide Lots or Units, or to convert Lots or Units to Common Area; and
- (d) The right to withdraw real estate from the Property.

Section 11.2 Special Declarant Rights. In addition to the Development Rights reserved above, the Declarant further reserves those rights granted to or reserved by the Declarant as hereinafter set forth or as otherwise set forth in this Declaration or CCIOA for the benefit of the Declarant, including but not limited to the following acts (collectively, the "**Special Declarant Rights**"):

- (a) To build and complete Improvements in the Property;
- (b) To exercise any Development Right;

- (c) To maintain sales offices, models, construction offices, management offices, and signs advertising the Property and sale of Lots or Units;
- (d) To use easements through the Common Area for the purpose of making Improvements within the Property or within real property which may be added to the Property;
- (e) To grant or create easements for access, utilities, drainage, water and other purposes incidental to the development and sale of the Property located in or across Lots or Units owned by the Declarant or the Common Area, provided such easements do not create a permanent, unreasonable interference with the rights of any Owners at the time such easement is created;
- (f) To make the Property subject to a master association;
- (g) To merge or consolidate the Property with a common interest community of the same form of ownership;
- (h) To appoint or remove any officer of the Association or any member of the Board of Directors during the Period of Declarant Control;
- (i) To convert any Lot, Unit, or other portion of the Property in the Property owned by the Declarant into Common Area; and
- (j) To perform any other right of the Declarant set forth in this Declaration.

Section 11.3 Exercise of Development Rights or Special Declarant Rights. All of the Development Rights and Special Declarant Rights may be exercised by the Declarant with respect to any portion of the property now or hereafter within the Property. The Declarant may exercise any or all of the Development Rights or Special Declarant Rights at any time and from time to time. Unless otherwise provided herein, the Development Rights and Special Declarant Rights shall terminate ten (10) years from the date of the recording of this Declaration, unless surrendered by the Declarant prior to that date by the recording of a written statement that the Declarant has surrendered any such Development Rights or Special Declarant Rights.

Section 11.4 Addition of Real Estate. The Declarant may annex to this Declaration additional property within the property described on the attached *Exhibit B*. Each such annexation shall be effected, if at all, by the recording of a document which shall provide for annexation to this Declaration of the property described in such document, shall state that the Declarant is the owner of the Unit(s) thereby created, shall assign an identifying number to each new Unit, shall describe any Common Area being annexed, shall reallocate the Allocated Interests among all Units, and may include such other provisions as the Declarant deems

appropriate. All provisions of this Declaration, including but not limited to, those provisions regarding obligations to pay Assessments to the Association and any right to cast votes as Members, shall apply to annexed property immediately upon the recording of any such document. Upon recordation, any such document shall be deemed an amendment to the Declaration for purposes of CCIOA, and each Unit, Common Area or other separately described parcel of real property being annexed by such document shall be deemed included on *Exhibit A* of this Declaration. In addition to the foregoing, the Declarant may amend this Declaration at any time during the ten (10) year period noted above in order to add additional real estate to the Property from such locations as the Declarant may elect in its sole discretion, which real estate is not listed on the attached *Exhibit B*, so long as the total additional real estate so annexed to the Property pursuant to this sentence, and not described on the attached *Exhibit B*, does not exceed ten percent (10%) of the total area described in *Exhibit A* and *Exhibit B*.

Section 11.5 Subdivision or Replatting of Lots. The Declarant may subdivide or replat any Lot(s) owned by the Declarant in the Property. Without limiting the generality of the foregoing, the Declarant reserves the right to move any lots line(s) on Lots(s) owned by the Declarant for the purpose of accommodating Improvements which are constructed or are to be constructed.

Section 11.6 Rights Transferrable/Rights Transferred. Any rights created or reserved under this Article or CCIOA for the benefit of the Declarant may be transferred to any Person by an instrument describing the rights transferred and recorded in the real property records of Eagle County, Colorado. Such instrument shall be executed by the transferor Declarant and the transferee. The rights transferred may then be exercised in compliance with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6) without the consent of the Association, any Owners or any holders of a security interest on any Lot or Unit. Any rights created or reserved under this Article or CCIOA for the benefit of the Declarant may also be transferred to the Association by an instrument describing the right transferred and recorded in the real property records of Eagle County, Colorado. Such instrument shall be executed by the transferor Declarant and the Association as transferee. The rights transferred may then be exercised in compliance with the requirements of C.R.S. § 38-33.3-210 and C.R.S. § 38-33.3-209(6) without the consent of the Association, any Owners or any holders of a security interest on any Lot or Unit.

Section 11.7 No Further Authorizations Needed. The consent of Owners or holders of security interests on the Lots or Units shall not be required for the exercise of any rights reserved by the Declarant, and the Declarant or its assigns may proceed without limitation at its sole option. The Declarant or its assignees may exercise any reserved rights on all or any portion of the Property in whatever order determined. The Declarant or its assigns shall not be obligated to exercise any reserved rights or to expand the Property beyond the number of Units initially submitted.

ARTICLE 12. MISCELLANEOUS AND GENERAL PROVISIONS

Section 12.1 Compliance and Enforcement.

(a) The Association may enforce all applicable provisions of this Declaration, and may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

(i) Imposing reasonable monetary fines, after notice and opportunity for a hearing, which fines shall constitute a lien upon the violator's Unit;

(ii) Suspending an Owner's voting rights during any period in which the Owner shall be in default in the payment of any Assessment, including interest, fines, late fees, attorney fees and costs, levied by the Association;

(iii) Suspending an Owner's voting rights for a period not to exceed sixty (60) days or during any period of violation, whichever is greater, for the violation of any other provision of the Governing Documents other than the non-payment of Assessments;

(iv) Exercising self-help or taking action to abate any violation of the Governing Documents;

(v) Requiring an Owner or a Condominium Association, as applicable, at the Owner's or Condominium Association's expense, as applicable, to remove any structure or Improvement on such Owner's Unit or on any portion of a Condominium Lot, as applicable, in violation of the Governing Documents and to restore the Unit or Condominium Lot to its previous condition and, upon failure of the Owner or the Condominium Association, as applicable, to do so, the Board or its designee shall have the right to enter the Lot, remove the violation and restore the Unit or Condominium Lot to substantially the same condition as previously existed and any such action shall not be deemed a trespass, with all fees and costs in connection with such removal and restoration to be assessed to the Owner as an Individual Purpose Assessment under the terms of this Declaration, or shall be the obligation of the applicable Condominium Association;

(vi) Without liability to any person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner or a Condominium Association who fails to comply with the terms and provisions of this Declaration from continuing or performing any further activities in the Property;

(vii) Bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

(b) In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner as an Individual Purpose Assessment. The Association shall provide the Owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

(c) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party shall be entitled to recover all costs, including, without limitation, attorney fees and court costs, reasonably incurred in such action.

(d) The decision of the Association to pursue enforcement action in any particular case shall be left to the discretion of the Board of Directors, subject to the duty to exercise judgment and be reasonable, as provided for in this Declaration, and further restricted in that the Board of Directors shall not be arbitrary or capricious in taking enforcement action.

Section 12.2 Covenants to Run. The covenants and restrictions contained in this Declaration shall run with and bind the Property in perpetuity. All of the covenants, easements, servitudes and provisions contained in this Declaration shall be a burden on the title to all of the lands within the Property, and the benefits thereof shall inure to the owners of all of the lands within the Property.

Section 12.3 Termination. Termination of the common interest community created hereby shall be in accordance with CCIOA.

Section 12.4 Attorney Fees. If an Owner fails to pay any Assessment or any other amount due to the Association as provided in this Declaration, the Association may require reimbursement for reasonable attorney fees and costs, without the necessity of commencing a legal proceeding. If an Owner, an Owner's Guest, or a Condominium Association fails to comply with any other provision of the Governing Documents, the Association may seek reimbursement for reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding. In a legal proceeding in any way related to the Governing Documents or the Property, the court shall award to the party prevailing on each claim the prevailing party's reasonable attorney fees and costs incurred in asserting or defending the claim. Such reasonable attorney fees and costs, if awarded against an Owner, shall be charged as an Individual Purpose Assessment and shall constitute a lien against the Unit.

Section 12.5 Amendment of Declaration by Owners. Except as otherwise provided in this Declaration and except for amendments that may be approved by the Declarant or the Association under the provisions of this Declaration or CCIOA, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended, revised, removed or repealed, and new provisions, covenants, conditions, restrictions or equitable servitudes may be added, at any time and from time to time upon approval of Owners holding at least sixty-seven percent (67%) of the votes in the Association. Said approval may be obtained in any method allowed by the Governing Documents, CCIOA or other applicable law. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of Eagle County, Colorado, of a certificate, setting forth the amendment in full and certifying that the amendment has been approved as set forth above. All challenges to the validity of any amendment or repeal must be made within one (1) year after the date of recording of such amendment or repeal.

Section 12.6 Amendment of Declaration by Declarant. The Declarant may amend this Declaration or the Plat to correct clerical, typographical or technical errors. The Declarant may also amend this Declaration to comply with the requirements, standards or guidelines of recognized secondary mortgage markets, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or the Federal national Mortgage Association.

Section 12.7 Required Consent of Declarant to Amendment. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of this Declaration reserving any rights to or for the benefit of the Declarant, or its assigns, including but not limited to any amendment to Article 10 of this Declaration, shall not be effective unless the Declarant has given written consent to such amendment or repeal, which consent may be evidenced by the execution by the Declarant of any certificate of amendment or repeal.

Section 12.8 Cooperation with Other Associations or Districts. The Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with other community association(s) and/or any special or metropolitan district(s) to share facilities, to share the costs and/or responsibility for any operation, maintenance, repair, replacement or other matters, to perform maintenance, repair or replacement for any Person(s) in consideration of payment or reimbursement therefor, to utilize the same contractors, subcontractors, managers or others who may perform services for the Association, any other community association(s) and/or any special or metropolitan district(s), or to otherwise cooperate with any other community association(s) and/or any special or metropolitan district(s) in order to increase consistency or coordination, reduce costs, or as may otherwise be deemed appropriate or beneficial by the Board of Directors in its discretion from time to time. The costs and expenses for all such matters, if any, shall be shared or apportioned between the Association and/or any other community association(s) and/or any special or metropolitan district(s) as the

Board of Directors may determine in its discretion from time to time. Additionally, the Association shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any other community association(s) and/or any special or metropolitan district(s) to collect assessments, other charges or other amounts which may be due to such entity and to permit any such entity to collect assessments, other charges or other amounts which may be due to the Association. In any such instance, the Association shall provide for remittance to such entity of any amounts collected by the Association or to the Association of any amounts collected by such entity.

Section 12.9 Registration of Mailing Address. Each Owner shall register his mailing address with the Association. Except as may otherwise be required by this Declaration, any notices or demands intended to be served upon an Owner shall be sent by first class mail, postage prepaid, addressed in the name of such Owner at such registered mailing address, or provided by other means as permitted or required by CCIOA or by other applicable law. If an Owner fails to notify the Association of a registered address, then any notice or demand may be delivered or sent, as aforesaid, to such Owner at the address of such Owner's Unit.

Section 12.10 Interpretation. The provisions of this Declaration shall be construed to effectuate their purposes of creating a uniform plan for promoting and effectuating the fundamental concepts as set forth in this Declaration. The Board of Directors shall have the authority to interpret the meaning of any provision contained in this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 12.11 Singular Includes the Plural. Unless the context otherwise requires, 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 12.12 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 any paragraph, section or article hereof.

Section 12.13 Non-Waiver. Any forbearance or failure to enforce any provisions of the Governing Documents shall not operate as a waiver of any such provision or of any other provision of the Governing Documents or of any subsequent enforcement of such provision.

Section 12.14 Conflict of Provisions. In case of conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In the case of conflict between the Articles of Incorporation and Bylaws, the Articles of Incorporation shall control.

Section 12.15 Severability. Invalidation of any one of the covenants or restrictions contained in this Declaration by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

ARTICLE 13. DISCLOSURES

Section 13.1 No Liability for Condition of the Property/Nuisances/Hazards Associated with Adjacent Lands. By purchasing a Unit, or any portion thereof, each Owner acknowledges that the Unit may be located adjacent to or in relatively close proximity to property utilized for commercial and other non-residential uses (collectively the "**Adjacent Properties**") and further the Unit may be built on land affected by amendment to the land or soil conditions (including expansive soils corrections) resulting from construction, engineering, grading, and soil preparation. Owners recognize and assume the risks of owning property adjacent to or within relatively close proximity to the Adjacent Properties and the risks of the condition of the land and soils. Such risks include, without limitation: (i) expansive soils conditions and drainage issues on or under the Property, and (ii) injury to person and property arising out of, or resulting from, the operation, maintenance and use of the Adjacent Properties, noise associated with the Adjacent Properties, noise, odors, and attractive nuisances to children (all of the above being collectively referred to as the "**Property Risks**"). The Released Parties shall have no liability for any personal injury or property damage resulting from the Property Risks. By virtue of taking title to a Unit subject to this Declaration, each Owner for himself and his heirs, personal representatives, executors, tenants, successors, assigns, invitees and licensees: (i) assumes the risk of loss, injury or damage to property or persons resulting from the Property Risks; (ii) agrees to obtain such policies of insurance as may be necessary to insure such Owner from injury or damage to property or person resulting from the Property Risks; (iii) releases and holds harmless the Released Parties and discharges the same from any liability for any personal injury or property damage resulting from the Property Risks, including, without limitation, arising from the negligence of the Released Parties, and (iv) indemnifies (including the payment of reasonable costs and attorneys' fees) the Released Parties from and against any claims, actions, suits, demands and compensations, either at law or in equity, brought against or incurred by any of the Released Parties for or on account of any damage, loss, or injury either to person or property, or both, resulting directly or indirectly from any of the Released Parties.

Section 13.2 Land Use Documents. The Property is being developed in accordance with the land use regulations of the Town of Minturn or Eagle County, Colorado, as applicable. The Declarant, for itself, its successors and assigns, reserves the right to obtain modifications and amendments to all land use documents, subject to the approval of the Town of Minturn or Eagle County, Colorado, as applicable, Colorado. Such modifications and amendments could change the uses of the Property and adjacent and nearby land from the uses which are set forth in the land use documents. The Declarant makes no warranties or representations whatsoever that the plan presently envisioned for the Property can or will be carried out, or that any such land, whether or not it has been subjected to this Declaration, is or will be committed to or developed for a particular use, or that such use will continue in effect.

Section 13.3 View Impairment. Owners acknowledge that existing views, if any, of the immediate and surrounding areas and mountains may be subject to change or elimination as a result of future development of non-residential and residential uses, road construction, tree

growth and landscaping. The Declarant may charge premium prices for similar houses, Lots, or Units depending on a variety of factors, which may include location, lot size, cul-de-sac frontage, solar orientation or proximity to open space. The market value of these factors may be subjective. The Association assumes no responsibility for any representation or promise made by a sales counselor, independent broker or other agent or employee of the Declarant with regard to premium prices. Neither the Declarant nor the Association guarantee or represent that any view over and across the Lots, the Units, or other Improvements, or that any open space, will be preserved without impairment, nor is there any obligation to relocate, prune, or thin trees or other landscaping. The Declarant has the right to add trees, walls, fences, berms, or other structures, signs, lighting, water features and other landscaping from time to time, without regard to any view impairment. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

Section 13.4 Disruption from Development and Construction. Each Owner acknowledges that development within and surrounding the Property may continue for an indefinite period, and that plans for the density, type and location of improvements, developments or land uses, may change over time. Such development may entail changes to or alterations in the access to the Property, views of or from the Property, the Lots, the Units, surrounding land uses, open space or facilities, traffic volumes or patterns, privacy or other off-site aspects or amenities. Each Owner agrees that there are inconveniences which will accompany the construction of Improvements within the Property, including, without limitation, construction noise, portable toilets, construction traffic, uncompleted buildings, areas not landscaped, potholes and construction supplies stored in plain view and general inconvenience associated with construction sites and related issues. Each Owner, by taking title to any Unit, waives any claims associated with the inconveniences, nuisance and hazards associated with such construction.

Section 13.5 Separate Ownership of Surface and Subsurface Rights. Ownership of subsurface rights, including mineral rights, oil, gas, and other hydrocarbons, underlying the Property may be separate from surface rights. The owners of such mineral rights, oil, gas and other hydrocarbons and their successors, assignees and lessees reserve the right to exercise all rights of exploration, extraction and removal of the same as allowed by applicable laws.

Section 13.6 Safety and Security. Each Owner and resident is responsible for their own personal safety and the security of their property in the Property. The Association may, but shall not be obligated to, maintain or support certain activities designed to enhance the level of safety or security in accordance with applicable law. Neither the Declarant nor the Association shall in any way be considered insurers or guarantors of safety or security within the Property, nor be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this _____ day of _____, 20____.

DECLARANT:

MINERS BASE CAMP LLC,
a Colorado limited liability company

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____ as _____ of Miners Base Camp LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

DESCRIPTION OF PROPERTY

COMMON AREA

Tracts A-D, as shown on the Final Plat of Belden Place P.U.D., recorded in the real property records of the Clerk and Recorder of Eagle County, Colorado on _____, 20__, at Reception Number _____.

EXHIBIT B

ANNEXABLE AREA

Lots 1 through 27, inclusive, as shown on the Final Plat of Belden Place P.U.D., recorded in the real property records of the Clerk and Recorder of Eagle County, Colorado on _____, 20__, at Reception Number _____, and depicted below:

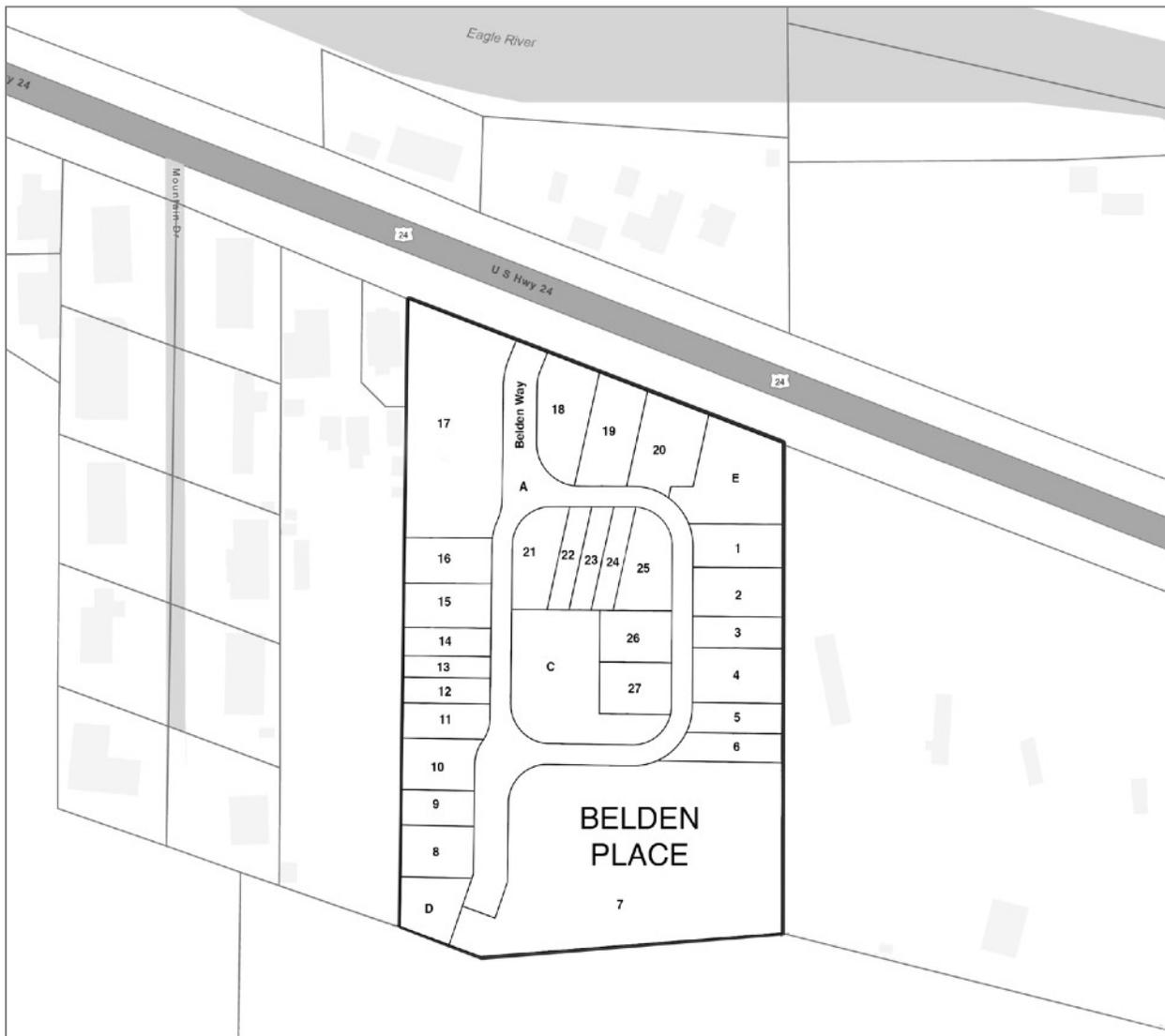


EXHIBIT C

EASEMENTS AND LICENSES OF RECORD