

Declarations Silver Sage Village

Clean Final 06-19-2009

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**CONDOMINIUM DECLARATION FOR
SILVER SAGE VILLAGE COMMUNITY
(a CONDOMINIUM COMMON INTEREST COMMUNITY)
(adopted XX XX 2009)**

Silver Sage Development, LLC, a Colorado limited liability company ("Declarant"), does hereby submit the real property in Boulder, Colorado, described in Exhibit A attached hereto and incorporated herein by this reference as though fully set forth, to the provisions of the Colorado Common Interest Ownership Act, C.R.S., §38-33.3-101, et seq., for the purpose of creating Silver Sage Village Community, a condominium Common Interest Community, and making the improvements shown on the Map, and does hereby DECLARE that the property described on Exhibit A shall be held and conveyed subject to the following terms, covenants, restrictions and conditions:

ARTICLE I – DEFINITIONS

A Act

The Act is the Colorado Common Interest Ownership Act (CCIOA), §38-33.3-101, et seq., Colorado Revised Statutes (C.R.S.), as it may be amended from time to time. To the extent that this Declaration is inconsistent with any future amendments, it shall be considered revised to be consistent with those amendments.

B Affordable Unit

An Affordable Unit mean those units within the Common Interest Community that are subject to deed restrictions, including without limitation unit re-sale price limitations, buyer income limitations, and owner-occupancy requirements as specified in the Permanently Affordable Housing Covenant for each Affordable Housing unit.

C Allocated Interests

The Allocated Interests are undivided interests in the Common Elements, and the Common Expense liability, allocated to Units in the Common Interest Community. The Allocated Interests are described in Article IX of this Declaration.

D Association

The Association is Silver Sage Village Community Association, Inc., a Colorado non-profit corporation. It is hereby designated as the Association of Unit Owners pursuant to C.R.S., §38-33.3-301.

E Board

The Board is the board of directors of the Association, which is also called the Steering Committee or the Steering Team. All terms are to be considered interchangeable.

F Bylaws

The Bylaws are the Bylaws of the Association, as they may be amended from time to time.

G Common Elements

The Common Elements are each portion of the Common Interest Community other than a Unit. 1650 Yellow Pine Avenue is a general common element, the usage of which shall be as promulgated by Rules by the Board. All parking spaces (designated on the Map as "PS") shall be general Common Elements, subject to assignment by the Board.

H Common Expenses

The Common Expenses are the expenses or financial liabilities for the operation of the Common Interest Community. Common Expense Assessments are the funds required to be paid by each Unit Owner in payment of such Owner's Common Expense liability. These expenses include:

1. expenses of administration, maintenance, construction, improvement, repair or replacement of the Common Elements, including utility (gas, water and electric) bills for 1650 Yellow Pine Avenue
2. expenses declared to be Common Expenses by the Documents or by the Act;
3. expenses agreed upon as Common Expenses by the Association; and
4. such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.
5. In addition, the costs and expenses imposed on the Association, benefitting fewer than all the Units, shall be a Common Expense, but assessed exclusively against those Units benefitted.

I Common Interest Community

The Common Interest Community is the real property described in Exhibit A and subject to this Declaration.

J Declarant

The Declarant is Silver Sage Development, LLC, a Colorado limited liability company, or its successor as defined in C.R.S., §38-33.3-103(12).

K Declaration

The Declaration is this document, including any amendments.

L Development Rights

Development Rights are the rights reserved by the Declarant under Article VIII of this Declaration.

M Director

A Director is a member of the Board, Steering Committee or Steering Team. All terms are to be considered interchangeable.

N Documents

The Documents are this Declaration and the Map recorded and filed pursuant to the provisions of the Act, the Articles of Incorporation of the Association, the Bylaws, the Rules as they may be amended from time to time, and all "Community Agreements" which are promulgated by the Board in the nature of a rule. Any exhibit, schedule or certification accompanying a Document is a part of that Document.

O Eligible Insurer

An Eligible Insurer is an insurer or guarantor of a first Security Interest in a Unit. An Eligible Insurer must notify the Association in writing of its name and address and inform the Association that it has insured or guaranteed a first Security Interest in a Unit. It must provide the Association with the Unit number and address of the Unit on which it is the insurer or guarantor of a Security Interest. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XVIII.

P Eligible Mortgagee

The Eligible Mortgagee is the holder of a first Security Interest in a Unit, when the holder has notified the Association, in writing, of its name and address and that it holds a first Security Interest in a Unit. The notice must include the Unit number and address of the Unit on which it has a security interest. This notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XVIII.

Q Equivalent Person Charges

Equivalent Person Charges means that portion of the Common Expenses Assessment assessed against the Units in an amount equal to the fraction expressed as a percentage, the numerator of which is the number of "Equivalent Persons" deemed to reside in such Unit as more particularly set forth in Exhibit B attached hereto, and the denominator of which is the aggregate number of "Equivalent Persons" deemed to reside in all the Units.

R Garage Unit

A Garage Unit is a physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described on the Map and in Article IV Section B of this Declaration, for use as a garage. No Garage Unit may be transferred to a person who does not also own a Residential Unit.

S Improvements

Improvements are any construction, structure, equipment, fixture or facilities existing or to be constructed on the Property, including but not limited to buildings, trees and shrubbery planted by the Declarant or the Association, paving, utility wires, pipes and light poles.

T Limited Common Elements

The Limited Common Elements are the portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of C.R.S., §§38-33.3-202(1)(b) and (1)(d). The Limited Common Elements in the Common Interest Community are described in Article V of this Declaration.

U Majority or Majority of Unit Owners

The Majority or Majority of Unit Owners means the Owners of more than 50 percent of the votes in the Association.

V Manager

A Manager is a person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

W Map

Map means that certain map entitled "Condominium Map for Silver Sage Village Community" recorded in the Records, as it may be amended from time to time.

X Notice and Comment

Notice and Comment is the right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in Article XXIV Section A of this Declaration.

Y Notice and Hearing

Notice and Hearing is the right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Article XXIV Section B of this Declaration.

Z Person

A Person is an individual, corporation, trust, partnership, limited liability company, association, joint venture, government, government subdivision or agency or other legal or commercial entity.

AA Property

Property is the land and all Improvements, easements, rights and appurtenances which have been submitted to the provisions of the Act by this Declaration, as described in Exhibit A attached hereto.

BB Records

The Records are the real estate records in the Office of the Clerk and Recorder of Boulder County, Colorado.

CC Residential Unit

A Residential Unit is a physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described on the Map and in Article IV Section B of this Declaration, for use as a residence.

DD Rules

The Rules are the regulations for the use of Common Elements and for the conduct of persons in connection therewith within the Common Interest Community, as may be adopted by the Board from time to time pursuant to this Declaration. Rules include Community Agreements.

EE Security Interest

A Security Interest is an interest in and encumbrance upon real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, installment land contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien intended as security for an obligation. A nonconsensual lien does not create a Security Interest.

FF Special Declarant Rights

Special Declarant Rights are the rights reserved for the benefit of the Declarant under Article VIII of this Declaration.

GG Trustee

The Trustee is the entity which may be designated by the Board as the Trustee for the receipt, administration and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses and other sources as defined in the Bylaws. If no Trustee has been designated, the Trustee will be the Board acting by majority vote.

HH Unit

A Unit is a Residential Unit or a Garage Unit.

II Unit Owner or Owner

The Unit Owner or Owner is the Declarant or any other Person who owns a Unit. Unit Owner does not include a Person having only a Security Interest or any other interest in a Unit solely as security for an obligation. The Declarant is the initial owner of each and every Unit created and defined by this Declaration and the Map.

ARTICLE II – NAME AND TYPE OF COMMON INTEREST COMMUNITY AND ASSOCIATION

A Name and Type of Common Interest Community

The name of the Common Interest Community is Silver Sage Village Community. Silver Sage Village Community is a condominium Common Interest Community.

B Association

The name of the Association is Silver Sage Village Community Association, Inc.

ARTICLE III – DESCRIPTION OF LAND

The entire Common Interest Community is situated in the County of Boulder, State of Colorado, and is located on the Property.

ARTICLE IV – UNIT AND BOUNDARY DESCRIPTIONS

A Maximum Number of Units

The Common Interest Community contains sixteen (16) Residential Units and fourteen (14) Garage Units. The Declarant does not reserve the right to create additional Units.

B Boundaries

Boundaries of each Unit created by the Declaration are shown on the Map as numbered Units, along with their identifying number, and are described as follows:

1 Upper Horizontal Boundary

The horizontal or sloping plane or planes of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams and rafters and of closed fireplace dampers, extended to an intersection with the vertical perimeter boundaries.

2 Lower Horizontal Boundary

The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim, sills and structural components.

3 Vertical Perimeter Boundaries

The planes defined by the unfinished inner surfaces of the drywall of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished surfaces of the interior trim, fireplaces, and thresholds along perimeter walls and floors; the unfinished inner surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior walls, columns, bearing partitions and partition walls between separate Units.

4 Inclusions

Each Unit will include the spaces and Improvements lying within the boundaries described in Paragraphs 1, 2 and 3 above, and will also include the spaces and the Improvements within those spaces containing any space heating, water heating and air conditioning apparatus, all electrical switches, wiring, pipes, ducts, conduits, smoke detector systems and television, telephone, electrical receptacles and light fixtures and boxes serving that Unit exclusively. The surface of the foregoing items will be the boundaries of that Unit, whether or not those items are contiguous to the Unit.

5 Exclusions

Except when specifically included by other provisions of this Section, the following are excluded from each Unit: the spaces and Improvements lying outside of the boundaries described in Paragraphs 1, 2 and 3 above; and all chutes, pipes, flues, ducts, wires, conduits, skylights and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Units and Common Elements or both.

6 Noncontiguous Portions

Certain Units may include special portions, pieces or equipment such as air conditioning compressors, meter boxes, utility connection structures and storage portions situated in buildings or structures that are detached or semi-detached from the buildings containing the principal occupied portion of the Units. This special equipment and storage portions are a part of the Unit, even though they are not contiguous with the residential portions.

7 Inconsistency with Map

If this definition is inconsistent with the Map, then this definition will control. If this definition is inconsistent with the Map, then this definition will control.

C Unit Legal Descriptions

The units shall be legally described as follows: Unit _____, Silver Sage Village Community, according to the Condominium Map for Silver Sage Village Community, recorded on September 14, 2007, as Reception No. 2883379, and as defined by the Condominium Declaration for Silver

Sage Village Community, recorded on September 14th, 2007, as Reception No. 288278, both recorded in the Office of the Clerk and Recorder of Boulder County, Colorado.

ARTICLE V – LIMITED COMMON ELEMENTS

A Definition of Limited Common Elements

The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

- 1 If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to the Unit, the use of which is limited to that Unit and any portion serving more than one Unit or a portion of the Common Elements is a part of the Common Elements.
- 2 Any shutters, awnings, window boxes, doorsteps, stoops, porches, decks, balconies, patios and exterior doors and windows or other fixtures designed to serve a single Unit, located outside the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit and their use is limited to that Unit.
- 3 Stoops, steps and walls above door openings at the entrances to each building, which provide access to less than all Units, the use of which is limited to the Units to which they provide access.
- 4 Attic space above each Unit that has an attic, the use of which is limited to the Unit beneath it.
- 5 Stairways, the use of which is limited to certain Units as shown on the Map.
- 6 Chimneys, the use of which is limited to the Unit in which its fireplace is located. In the event of a multiple-flue chimney, each flue will be a Limited Common Element allocated to the Unit containing its fireplace while the chimney will be a Limited Common Element allocated to Units using the flue.
- 7 Utility areas, the use of which is limited to the Unit or Units as shown on the Map.
- 8 Storm windows and storm doors, if any, will be Limited Common Elements of the Unit which they service.
- 9 Certain courtyards, patios and decks at the entrances to each Unit, the use of which is limited to the Unit as shown on the Map.
- 10 Exterior surfaces, trim, siding, doors and windows will be Limited Common Elements allocated to the Units sheltered.

- 11 Mailboxes, name plates and exterior lighting affixed to the building will be Limited Common Elements allocated to the Units served.

ARTICLE VI – MAINTENANCE OF THE PROPERTY

A Common Elements

The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration or the Act to be maintained, repaired or replaced by the Unit Owners.

B Individual Units

It shall be the duty and obligation of each Unit Owner, at such Unit Owner's expense, to maintain, repair and replace all portions of such Owner's Unit, except the portions of the Unit required by the Declaration to be maintained, repaired or replaced by the Association.

C Limited Common Elements

Each Unit Owner shall be responsible for removing snow, leaves and debris from all patios and balconies which are Limited Common Elements appurtenant to such Owner's Unit. If any such Limited Common Element is appurtenant to two or more Units, the Owners of those Units will be jointly responsible for such removal.

D Right of Access

Any person authorized by the Board shall have the right of access to all portions of the Property for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Common Interest Community, for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any entry is at a time reasonably convenient to the affected Unit Owner. In case of an emergency, no request or notice is required and the right of entry shall be immediate, and with as much force as is reasonably necessary to gain entrance, whether or not the Unit Owner is present at the time.

E Repairs Resulting From Negligence

Each Unit Owner will reimburse the Association for any damages to any other Unit or to the Common Elements caused intentionally, negligently or by such Unit Owner's failure to properly maintain, repair or make replacements to such Unit Owner's Unit or to those Limited Common Elements for which such Unit Owner is responsible under Article VI Section C of the Declaration. The Association will be responsible for damage to Units which is caused by the Association intentionally, negligently or by the Association's failure to maintain, repair or make replacements to the Common Elements. If such expense is caused by misconduct, it will be assessed following Notice and Hearing.

ARTICLE VII – SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

Portions of the Common Elements may not be subsequently allocated as Limited Common Elements except in accordance with the Act.

ARTICLE VIII – DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

A Reservation of Development Rights

The Declarant reserves the following Development Rights:

- 1 the right by amendment to create Common Elements and Limited Common Elements in the locations identified on the Map.
- 2 the right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across any portion of the Property for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the Property. The Declarant also reserves the right to withdraw and grant easements and licenses to public utility companies and to convey Improvements within those easements anywhere in the Common Interest Community not occupied by buildings, for the purposes mentioned above.

B Limitations on Development Rights

The Development Rights reserved in Article VIII Section A are limited as follows:

- 1 the Development Rights may be exercised at any time while Declarant still owns a Unit or has any continuing obligations under these Declarations, but not more than two (2) years after the recording of the initial Declaration;
- 2 the quality of construction of any buildings and Improvements to be created on the Property shall be consistent with the quality of those constructed pursuant to this Declaration as initially recorded;
- 3 all Common Elements created pursuant to the Development Rights will be restricted to the same uses and to the same extent as the Common Elements created under this Declaration as initially recorded; and
- 4 no Development Rights may be exercised unless approved pursuant to Article XVIII of this Declaration.

C Phasing of Development Rights

No assurances are made by the Declarant as to whether the Declarant will exercise its Development Rights or the order in which such Development Rights will be developed. The exercise of Development Rights as to some portions of the Property will not obligate the Declarant to exercise them as to other portions.

D Special Declarant Rights

The Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community:

- 1 to correct typographical or grammatical errors on either the Map or the Declaration;
- 2 to complete Improvements indicated on the Map, and to exercise a Development Right reserved in the Declaration;
- 3 to maintain sales offices, management offices, signs advertising the Common Interest Community and models;
- 4 to use easements through the Common Elements and Units for the purpose of making Improvements within the Common Interest Community; and
- 5 to appoint or remove an officer of the Association or a Board member during a period of Declarant control subject to the provisions of Article VIII Section I of this Declaration.

E Models, Sales Offices and Management Offices

As long as the Declarant is a Unit Owner, the Declarant, its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model Unit, sales office or management office. In addition, during periods of construction, Declarant may maintain a construction trailer on the Common Elements.

F Construction; Declarant's Easement

The Declarant reserves the right to perform warranty work, repairs and construction work in Units and Common Elements, to store materials in secure areas, and to control and have the right of access to work and repairs until completion. All work may be performed by the Declarant without the consent or approval of the Board. The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in this Declaration. This easement includes the right to convey access, utility and drainage easements to the City of Boulder, municipalities or the State of Colorado.

G Signs and Marketing

The Declarant reserves the right to post and maintain signs and displays in Units owned by Declarant and in the Common Elements in order to promote sales of Units. Declarant also reserves the right to conduct general sales activities in a manner which will not unreasonably disturb the rights of Unit Owners.

H Declarant's Property

The Declarant reserves the right to retain all its property and equipment used in the sales, management, construction and maintenance of the Property, whether or not they have become fixtures.

I Declarant Control of the Association

- 1 Subject to Article VIII Section I Paragraph 2, there shall be a period of Declarant control of the Association, during which a Declarant, or Persons designated by the Declarant, may appoint and remove the officers of the Association and members of the Board. The period of Declarant control shall terminate no later than the earlier of:
 - a 60 days after conveyance of 75 percent of the Units that may be created in the Common Interest Community to Unit Owners other than a Declarant;
or
 - b two years after the last conveyance of a Unit by the Declarant in the ordinary course of business.
- 2 A Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Board before termination of the period described above. In that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.
- 3 Not later than 60 days after conveyance of 25 percent of the Units that may be created to Unit Owners other than a Declarant, at least one and not less than 25 percent of the members of the Board shall be elected by Unit Owners other than the Declarant. Not later than 60 days after conveyance of 50 percent of the Units that may be created to Unit Owners other than a Declarant, not less than 33-1/3 percent of the members of the Board must be elected by Unit Owners other than the Declarant.
- 4 Not later than the termination of any period of Declarant control, the Unit Owners shall elect a Board of at least three members, at least a majority of whom shall be Unit Owners. The Board shall elect the officers. The Board members and officers shall take office upon election.
- 5 Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice under C.R.S., §38-33.3-308, the Unit Owners, by a vote of Owners representing 67 percent of all Units present and entitled to vote at a meeting of the Unit Owners at which a quorum is present, may remove a member of the Board with or without cause, other than a member appointed by the Declarant.

J Limitations on Special Declarant Rights

Unless terminated earlier by an amendment to this Declaration executed by the Declarant, any Special Declarant Right may be exercised by the Declarant until the earlier of the following: as long as the Declarant:

- 1 is obligated under any warranty or obligation;
- 2 holds a Development Right;
- 3 owns any Unit;
- 4 owns any Security Interest in any Units; or
- 5 ten (10) years have elapsed after recording of this Declaration. Earlier termination of certain rights may occur by statute.

K Interference with Special Declarant Rights

Neither the Association nor any Unit Owner may take any action or adopt any Rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

L Rights of Lenders to Declarant

Additional limitations on the right of the Declarant to exercise Development Rights may be found in Article XVIII of the Declaration.

ARTICLE IX – ALLOCATED INTERESTS

A Allocation of Interests

The table showing Unit numbers and their Allocated Interests is attached as Exhibit B. These interests have been allocated in accordance with the formulas set out in this Article. The same formulas are to be used in reallocating interests if Units are added to the Common Interest Community.

B Formulas for the Allocation of Undivided Interest in the Common Elements

The percentages of the undivided interest in the Common Elements allocated to each Unit have been calculated by the following formulas: a percentage, the numerator of which is one and the denominator of which is sixteen, for 6.25% allocated to each Residential Unit.

C Liability for the Common Expenses

The percentage of liability for Common Expenses allocated to each Unit is based on the aggregate of:

- 1 Per Unit Charges for such Unit, relating to expenses which are consistent regardless of Unit size or Equivalent Persons;

- 2 Equivalent Persons Charges for such Unit, relating to expenses which increase with usage;
- 3 Per Square Foot charges for each Unit, relating to expenses which are dependent upon the size of a Unit,
- 4 expenses to be allocated only to Garage Unit Owners, and
- 5 expenses to be allocated on any other basis as agreed to by the community,

all as shown on Exhibit B. Nothing contained in this Section shall prohibit certain Common Expenses from being apportioned to particular Units under Article XIX or Article VI of this Declaration.

D Votes

Each Unit in the Common Interest Community shall have the number of votes allocated to such Unit in the Bylaws. Any specified percentage, portion or fraction of Unit Owners, unless otherwise stated in the Documents, means the specified percentage, portion or fraction of all of the votes as allocated herein.

ARTICLE X - RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

A Use Restrictions

Subject to the Special Declarant Rights reserved under Article VIII, the following use restrictions apply to all Units and to the Common Elements:

- 1 The use of each Residential Unit is restricted to that of a single family residence and accessory uses as permitted herein. Except for those activities conducted as a part of the marketing and development program of the Declarant, no industry, business, trade or commercial activities other than home professional pursuits without employees, public visits or nonresidential storage (except upon express written approval of the Board of Directors), or other use of a Unit shall be conducted, maintained or permitted in any part of a Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes.
- 2 No immoral, improper, offensive or unlawful use may be made of the Property; Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Colorado and all ordinances, Rules and regulations of the City and County of Boulder. The violating Unit Owner shall hold harmless the Association and other Unit Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance.

B Occupancy Restrictions

Subject to the Special Declarant Rights reserved under Article VIII, occupancy restrictions apply to all Units and to the Common Elements. They are listed in the following paragraphs. Any

damage resulting from such violation of the following paragraphs shall be the responsibility of the Unit Owner who caused it.

- 1 No electrical device creating overloading of standard circuits may be used without permission from the Board. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from such misuse shall be the responsibility of the Unit Owner who caused it. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.
- 2 All Unit Owners shall maintain their Units in a clean and well maintained condition. No storage of trash will be permitted in or outside any Unit in a manner which may permit the spread of fire, odors, seepage or encouragement of vermin.
- 3 All fixtures and equipment will be used for the purposes for which they were designed. There shall be no floor load in excess of 50 pounds per square foot, unless special arrangements are made and an engineering determination of floor load capacity in the area of the heavy use is approved by the Association.
- 4 Garage Units are separately deeded Units and shall be used solely by the owner thereof or tenants or guests of the Owners Residential Unit for purposes of motor vehicle (but specifically excluding commercial vehicles and campers except as otherwise allowed by the Act), bicycle and miscellaneous storage. Garages may also be used for specific purposes as approved by the Board or a team to which the Board has delegated authority in this area.
- 5 Basement storage spaces and bicycle storage spaces on the Common Elements shall be used in accordance with the allocation and assignment as directed by the Board.
- 6 No noxious, offensive, dangerous or unsafe activity shall be conducted in any Unit, nor shall anything be done, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner or occupant shall make or permit any disturbing noises nor do or permit anything to be done by others that will interfere with the rights, comforts or convenience of other Unit Owners or occupants.
- 7 All clothes dryers will have lint filters to prevent lint from accumulating in the vent duct. All stove hoods will have grease screens to prevent grease from accumulating in the vent duct. All such filters and screens will at all times be used and kept clean and in good order and repair by the Unit Owner.
- 8 No signs, window displays or advertising visible from outside a Unit (except for a name plate or sign not exceeding nine square inches in area, on the main door to each Unit) shall be maintained or permitted in any part of a Unit, except as otherwise allowed by the Act.

C Restrictions on Alienation

The following restrictions on alienation apply to all Units and to the Common Elements:

- 1 A Unit may not be conveyed pursuant to a time-sharing plan. A Unit may not be leased or rented for a term of less than 60 days. All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association.
- 2 All leases of a Unit shall include a provision that the tenant will recognize the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Documents against the tenant, provided the Association gives the Owner of such leased Unit notice of the Association's intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action.

D Restrictions Against Public Policy

The Association shall not prohibit any of the following:

- 1 The display of the American flag by a Unit Owner on that Unit Owner's property, in a window of the Unit Owner's residence, or on a balcony adjoining the Unit Owner's property if the American flag is displayed in a manner consistent with the federal flag code, P.L. 94-344; 90 Stat. 810; 4 U.S.C. 4 to 10. The Association may adopt reasonable Rules regarding the placement and manner of display of the American flag. The Association Rules may regulate the location and size of flags and flagpoles, but shall not prohibit the installation of a flag or flagpole.
- 2 The display by a Unit Owner of a service flag bearing a star denoting the service of the Unit Owner or a member of the Unit Owner's immediate family in the active or reserve military service of the United States during a time of war or armed conflict, on the inside of a window or door of the Unit Owner's residence. The Association may adopt reasonable Rules regarding the size and manner of display of service flags; except that the maximum dimensions allowed shall be not less than nine inches by sixteen inches.
- 3 Political Signage
 - a The display of a political sign by a Unit Owner in a window of the Unit; except that the Association may prohibit the display of political signs earlier than forty-five days before the day of an election and later than seven days after an election day. The Association may regulate the size and number of political signs that may be placed on a Unit Owner's property if the Association's regulation is no more restrictive than any applicable city, town, or county ordinance that regulates the size and number of political signs on residential property. If the city, town, or county in which the property is located does not regulate the size and number of political signs on residential property, the Association shall permit at least one political sign per political office or ballot issue that is

contested in a pending election, with the maximum dimensions of thirty-six inches by forty-eight inches, on a Unit Owner's property.

b As used in this paragraph, "political sign" means a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.

4 The parking of a motor vehicle by a Unit Owner on a street, driveway, or guest parking area in the Common Interest Community if the vehicle is required to be available at designated periods at the Unit Owner's residence as a condition of the Unit Owner's employment and all of the following criteria are met:

- a The vehicle has a gross vehicle weight rating of ten thousand pounds or less;
- b The Unit Owner is a bona fide member of a volunteer fire department or is employed by an emergency service provider, as defined in C.R.S. section 29-11- 101(1.6)
- c The vehicle bears an official emblem or other visible designation of the emergency service provider; and
- d Parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Unit Owners to use streets and driveways within the Common Interest Community.

ARTICLE XI - EASEMENTS AND LICENSES

A Existing Easements

All easements or licenses to which the Common Interest Community is presently subject are shown on the Map.

B Granting of Future Easements

The Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to its powers under Article VIII of this Declaration.

C Owner's Easement Across Common Elements

Every Owner shall have a right and easement for ingress to and egress from such Owner's Unit over and across the Common Elements, which easement shall be appurtenant to and shall pass with the title to every Unit, subject to the right of the Declarant and/or the Association to dedicate or transfer all or part of the Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer by the Association shall be effective unless an instrument agreeing to such dedication or transfer is signed by the Owners of at least 67 percent of the Units and recorded in the Records.

D Easements Reserved and Restrictions on Drainage Easements

Easements and rights of way are reserved on, over and under the Common Elements and the Units as shown on the Map, for construction, maintenance, repair, replacement and reconstruction of poles, wires, pipes and conduits for lighting, heating, electricity, gas, telephone, drainage and any other public or quasi-public utility service purposes, and for sewer and pipes of various kinds.

E Emergency Access Easement

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

F Easement for the Benefit of Unit 16

There shall be an easement reserved over those portions of Unit 15 for the benefit of Unit 16, in order to access a swamp cooler, for the sole purpose of maintenance and repair.

ARTICLE XII - SUBSEQUENT ALLOCATION OF LIMITED COMMON ELEMENTS

A Procedure

A Common Element not previously allocated as a Limited Common Element may be so allocated only pursuant to the provisions of this Article and the Act. All allocations will be made by amendments to the Declaration specifying to which Unit or Units the Limited Common Element is allocated. Such amendment shall require the approval of all holders of Security Interests in the affected Units.

B Reallocation

No Limited Common Element depicted on the Map may be reallocated by an amendment to this Declaration pursuant to this Article XII except as part of a relocation of boundaries of Units pursuant to Article XIV of this Declaration.

ARTICLE XIII - ADDITIONS, ALTERATIONS AND IMPROVEMENTS

A By Unit Owners

- 1 No Unit Owner will make any structural addition, alteration or improvement in or to the Common Interest Community without the prior written consent of the Board or a team to which the Board has delegated its authority in this area in accordance with Paragraph 3 below.
- 2 Subject to Paragraph 1 above, Unit Owners:
 - a may make any other Improvements or alterations to the interior of their Units that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Interest Community;

- b may not change the appearance of the Common Elements, the exterior appearance of a Unit or any other portion of the Common Interest Community without permission of the Association (except for the installation of solar panels above Units 13, 14, 15 and 16, which is hereby expressly authorized); and
 - c after acquiring an adjoining Unit, may remove or alter any intervening partition or create apertures in this partition, even if the partition is in whole or in part a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Interest Community. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries. If a part of an adjoining Unit is acquired, boundaries will be relocated in accordance with Article XIV.
- 3 A Unit Owner may submit a written request to the Board or its delegated team for approval of anything prohibited under Paragraphs 1 or 2 (subparagraph b) above. The Board shall answer any written request for approval, after Notice and Hearing, in accordance with the provisions of its Rules.
- 4 Any applications to any department or governmental authority for a permit to make any addition, alteration, or improvement in or to any Unit shall be executed in accordance with the Design Review Agreement. This execution will not however, create any liability on the part of the Association or any of its Board members to any contractor, subcontractor or materialman on account of the addition, alteration or improvement or to any person because of any claim for injury to person or damage to property arising from the permit.
- 5 All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.
- 6 The Board, or its delegated team, in the interests of protecting the integrity of the Common Interest Community shall have the right to inspect the interior of any Unit in the Common Interest Community. Such inspection will be scheduled at a mutually agreeable time with the Unit Owner.

The provisions of this Section shall not apply to the Declarant in the exercise of any Special Declarant Right.

B By Board

The Board may make any additions, alterations or Improvements to the Common Elements which, in its judgment, it deems necessary.

C Exterior Improvements and Landscaping Within Elements

Unit Owners may make exterior Improvements within or as a part of Limited Common Elements constituting balconies or patios including repainting, restaining, addition of architectural

detailing, changing of doors and windows, planting of gardens, hedges and shrubs, construction of fences, walks, benches and architectural conceits, provided the Improvements are undertaken with the permission of the Board or Design Review Team established by the Board for such purpose. Written plans shall first be submitted and reviewed by the Board or committee for consistency with Improvements originally constructed by the Declarant, and consistency with the style and character of the community. No approval will be awarded without following the procedures of the Design Review Team. It is the intent to provide for limited individualization of the appearance of the Units while retaining the common architectural style and character. The applicant will pay for the cost of preparation of the application, the cost of professional review, if required by the reviewing entity, and all costs of permits and fees.

ARTICLE XIV - AMENDMENTS TO DECLARATION — IN GENERAL

A Application and Amendment

Subject to approval of any structural changes and required permits pursuant to Article XIII, the boundaries between adjoining Units may be relocated by an amendment to the Declaration upon application to the Association by the Owners of the Units affected by the relocation. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application shall state the proposed reallocation. Unless the Board determines, within 30 days after receipt of the application, that the reallocations are unreasonable, the Association shall prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment must be executed by those Unit Owners affected and contain words of conveyance between them. The approval of all holders of Security Interests in the affected Units shall be endorsed on the conveyance.

B Recording Amendments

The Association and appropriate Unit Owners as necessary shall prepare and record an amendment to the Map necessary to show the altered boundaries between adjoining Units, along with the Units' dimensions and identifying numbers. The applicants will pay for the costs of preparation of the amendment and its recording, as well as the reasonable consultant fees incurred by the Association if the Board deems it necessary to employ a consultant.

ARTICLE XV - AMENDMENTS TO DECLARATION — IN GENERAL

A In General

Except in cases of amendments that may be executed by the Association under C.R.S section 38-33.3-107, 38-33.3-206(4), 38-33.3-208(2), 38-33.3-212, 38-33.3-213, or 38-33.3-218(11) and (12), or by the district court for any county that includes all or any portion of a Common Interest Community, and except as limited below, these Declarations, including the plats and maps, may be amended only by the affirmative vote or agreement of Unit Owners of units to which 62.5% of the votes in the Association (10 Residential Units) are allocated.

B Notification

The Association shall send a dated, written notice and a copy of any proposed amendment by certified mail to each Eligible Mortgagee at its most recent address as shown on the recorded deed of trust or recorded assignment thereof. An Eligible Mortgagee that does not deliver to the Association a negative response within sixty days after the date of the notice shall be deemed to have approved the proposed amendment.

C Limitation of Challenges

An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one year after the amendment is recorded.

D Recordation of Amendments

Each amendment to the Declaration must be recorded in the Records, and the amendment is effective only upon recording.

E Unanimous Consent

Except to the extent expressly permitted or required by other provisions of the Act, an amendment may not create or increase Special Declarant Rights, increase the number of Units, change the boundaries of a Unit, the Allocated Interests of a Unit or the uses to which a Unit is restricted, except by unanimous consent of the Unit Owners.

F Execution of Amendments

An amendment to the Declaration required by the Act to be recorded by the Association, which has been adopted in accordance with this Declaration and the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the Chairperson of the Association.

G Special Declarant Rights

Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

H Consent of Holders of Security Interests

Amendments to the Declaration are subject to the consent requirements of Article XVIII.

I Amendments To Exercise Development Rights

To exercise any Development Right reserved under Article VIII Section A of this Declaration, the Declarant shall prepare, execute and record an amendment to the Declaration. The Declarant shall also record an amendment to the Map as necessary to conform to the requirements of C.R.S., §38-33.3-209. The amendment shall describe any Common Elements and any Limited Common Elements created and designate the Unit to which each Limited Common Element is allocated to the extent required by C.R.S., §38-33.3-208.

ARTICLE XVI - AMENDMENTS TO BYLAWS

The Bylaws may be amended only by the vote of 66 percent of the members of the Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose.

ARTICLE XVII – TERMINATION

Termination of the Common Interest Community may be accomplished only in accordance with C.R.S., §38-33.3-218.

ARTICLE XVIII - MORTGAGEE PROTECTION

A Introduction

This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is supplemental to, not a substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

B Percentage of Eligible Mortgagees

Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean that the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them that specified percentage of votes as compared to the total votes allocated to all Units in the Association then subject to Security Interests held by all Eligible Mortgagees.

C Notice of Actions

No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to Eligible Mortgagees without the consent of such Eligible Mortgagees. Except as specifically provided herein or if specifically required by an Eligible Mortgagee, the consent and/or joinder of any Mortgagee shall not be required for the adoption of an amendment to this Declaration and, whenever the consent or joinder of a Mortgagee is required, such consent or joinder shall not be unreasonably withheld. Failure of an Eligible Mortgagee to respond within thirty (30) days to any written request for approval of an additional amendment to this Declaration wherever such approval is required, when such request is delivered by certified or registered mail, return receipt requested, shall constitute an implied approval of the amendment or addition. Unless a majority of Eligible Mortgagees have given their approval, the Association shall not be entitled to:

- 1 Change the method of determining Assessments or increase any Assessment by more than twenty-five percent (25%) over the amount of any previous Assessment;
- 2 Repair or restore the Common Elements or any Units after the occurrence of any casualty loss or condemnation in a manner other than in accordance with the specifications of the original building and construction plans for the Improvements;

- 3 Abandon or terminate the Condominium;
- 4 Partition or subdivide any Unit;
- 5 Change or reallocate the Allocated Interests or Voting Interests of any Unit;
- 6 Use hazard insurance proceeds for losses to any part of the Real Estate (whether Units or Common Elements) for other than the repair, replacement or reconstruction of the Improvements;
- 7 Amend this Declaration to change any of the following:
 - a the expansion, contraction or withdrawal rights of Declarant;
 - b provisions related to the lease or the sale of Units;
 - c the Association's responsibilities to maintain and repair the Common Elements;
 - d the nature and/or priority of Assessment Liens;
 - e the Association's insurance requirements;
 - f the Association's obligations to repair and restore the Common Elements in the event of any casualty loss or condemnation in a manner other than in accordance with the specifications set forth in the original building and construction plans for the Improvements; or
 - g the terms and conditions applicable to the conversion of Units into Common Elements and Common Elements into Units or applicable to the adjustment of the boundaries of any Unit as reflected on the Condominium Map.

D Inspection of Books

The Association must maintain current copies of the Declaration, Bylaws, Rules, books, records and financial statements. The Association shall permit any Eligible Mortgagee or Eligible Insurer, or other first mortgagee of Units, to inspect the books and records of the Association during normal business hours.

E Financial Statements

The Association shall provide any Eligible Mortgagee or Eligible Insurer who submits a written request with a copy of an annual financial statement. It shall be provided within 90 days following the end of each fiscal year of the Association. This financial statement shall be audited by an independent certified public accountant if any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

F Enforcement

The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law or in equity.

G Appointment of Trustee

In the event of damage or destruction under Article XXIII or condemnation of all or a portion of the Common Interest Community, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to Article I(GG) of this Declaration. Proceeds will then be distributed according to law. Unless otherwise required, the members of the Board, acting by majority vote, may act as Trustee.

ARTICLE XIX - ASSESSMENT AND COLLECTION OF COMMON EXPENSES

A Apportionment of Common Expenses

Except as provided in Article I Section H and Article XIX Section B, all Common Expenses shall be assessed against all Units in accordance with the percentages as shown on Exhibit B of this Declaration.

B Common Expenses Attributable to Fewer than all Units

- 1 Any Common Expense associated with the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios, decks, exterior surfaces, trim, siding, doors, windows and elevators shall be assessed against the Unit or Units to which the Limited Common Element is assigned as a Common Expense Assessment. If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element shall be assessed equally among the Units to which it is assigned. No additional component or element may be attached without consent of the Board. In the event any additional component or element becomes deteriorated or unsightly, or is inconsistent with conditions of installation, it may be removed or repaired at the Unit Owner's expense as a Common Expense assessment under this section, after Notice and Hearing.
- 2 Any Common Expense associated with the maintenance, repair or replacement of the chimney serving a particular Unit or Units shall be assessed against that particular Unit or Units.
- 3 Any Common Expense associated with the maintenance, repair or replacement of heat exchanger, heater outlet, enclosures and mechanical attachments will be assessed against the Unit or Units to which the Limited Common Element is assigned.
- 4 Common Expenses associated with the cleaning, maintenance, repair or replacement of all other Limited Common Elements not specifically identified in Paragraphs 1 through 3 above will be assessed against all Units in accordance with the percentage as shown on Exhibit B.
- 5 Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against that Unit.

- 6 Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.
- 7 If a Common Expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against that Unit Owner's Unit.
- 8 Fees, charges, taxes, impositions, late charges, fines, collection costs and interest charged against a Unit Owner pursuant to the Documents and the Act are enforceable as Common Expense Assessments.

C Lien

The Association is hereby granted and shall have a lien on a Unit for a Common Expense Assessment levied against the Unit or fines imposed against its Unit Owner. Fees, charges, late charges, attorney fees, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section. The amount of the lien shall include all those items set forth in this Section from the time such items become due. If a Common Expense Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations.

- 1 A lien under this Section is prior to all other liens and encumbrances on a Unit except:
 - a liens and encumbrances recorded before the recordation of the Declaration;
 - b a first Security Interest on the Unit recorded before the date on which the Common Expense Assessment sought to be enforced became delinquent; and
 - c liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this Section is also prior to all Security Interests described in Subdivision (b) of the previous sentence to the extent that the Common Expense Assessments are based on the periodic budget adopted by the Association pursuant to Section D of this Article and would have become due in the absence of acceleration, during the six months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this section of an action or a nonjudicial foreclosure either to enforce or extinguish either the Association's lien or a Security Interest described in Subdivision (b) of the previous sentence. This paragraph does not affect the priority of mechanics' or materialmen's liens or the priority of a lien for other assessments made by the Association. By purchasing a Unit, an Owner waives all federal and state homestead or other exemptions with respect to the lien for Common Expense Assessments.
- 2 Recording of the Declaration in the Records constitutes record notice and perfection of the lien. Further recording of a claim of lien for a Common Expense Assessment under this Section is not required.

- 3 A lien for an unpaid Common Expense Assessment is extinguished unless proceedings to enforce the lien are instituted within three years after the full amount of the Common Expense Assessment becomes due, except that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the time period for instituting proceedings to enforce the Association's lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.
- 4 This Section does not prohibit an action to recover sums for which paragraph 1 list item (a) of this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.
- 5 A judgment or decree in any action brought under this Section shall include costs and reasonable attorney fees for the prevailing party, which shall be additional Common Expense Assessments.
- 6 A judgment or decree in an action brought under this Section is enforceable by execution under Colorado law.
- 7 The Association's lien must be foreclosed by the same judicial procedure by which a mortgage on real estate is foreclosed under Colorado law.
- 8 In any action by the Association to collect Common Expense Assessments or to foreclose a lien for unpaid Common Expense Assessments, the court may appoint a receiver for the Unit who shall collect all sums due from that Unit Owner or a tenant of the Unit Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense Assessments, based on a periodic budget adopted by the Association pursuant to Section D of this Article of this Declaration.
- 9 If a holder of a first or second Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid Common Expense Assessments against that Unit which became due before the sale, other than the assessments which are prior to that Security Interest under this Section of the Declaration. Any unpaid Common Expense Assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Unit Owners, including the purchaser.
- 10 Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied to the oldest balance due.

D Budget Adoption and Ratification

- 1 Within ninety days after adoption of any proposed budget for the Common Interest Community, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Unit Owners and shall set a date for a meeting of the Unit Owners to consider the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary, or

as allowed for in the Bylaws. The Board shall give notice to the Unit Owners of the meeting as allowed for in the Bylaws. The process for approving the budget will follow the community Agreements for decision making adopted by the Board. In the event that the proposed budget is not approved, the periodic budget last approved must be continued until a subsequent budget proposed by the Board is approved.

- 2 The books and records of the Association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, at least once every two years by a person selected by the Board. Such person need not be a certified public accountant except in the case of an audit.
- 3 An audit shall be required under this paragraph only when both of the following conditions are met:
 - a The Association has annual revenues or expenditures of at least two hundred fifty thousand dollars; and
 - b An audit is requested by the owners of at least six of the units represented by the Association.
 - c Copies of an audit or review under this paragraph shall be made available upon request to any Unit Owner beginning no later than thirty days after its completion.
 - d Ratification of Nonbudgeted Common Expense Assessments.

If the Board votes to levy Common Expense Assessments not included in the current budget, other than one enumerated in Article XIX Section B of this Declaration, in an amount greater than 15 percent of the current annual operating budget, the Board shall submit this Common Expense to the Unit Owners for ratification in the same manner as a budget under Article XIX Section D.
 - e Certificate of Payment of Common Expense Assessments

The Association or its delegated team, upon written request, shall furnish a Unit Owner with a written statement setting out the amount of unpaid Common Expense Assessments against the Unit Owner's Unit. The statement must be furnished within 14 calendar days after receipt of the request and is binding on the Association, the Board and each Unit Owner. A reasonable fee, established by the Board, may be charged for such statement.
 - f Monthly Payment of Common Expenses

All Common Expenses assessed under Article XIX Sections A and B of this Declaration shall be due and payable monthly, unless otherwise determined by the Board.
 - g Acceleration of Common Expense Assessments

In the event of default in which any Unit Owner does not make the payment of any Common Expense Assessment levied against the Unit Owner's Unit within 10 days of the date due, the Board shall have the right, after Notice and Hearing, to declare all unpaid Common Expense Assessments for the pertinent fiscal year immediately due and payable.

h Commencement of Common Expense Assessments

Common Expense Assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs.

i No Waiver of Liability for Common Expenses

No Unit Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense Assessments are made.

j Personal Liability of Unit Owners

The Unit Owner of a Unit, at the time a Common Expense Assessment or portion of the assessment is due and payable, is personally liable for the Common Expense Assessment. Personal liability for the Common Expense Assessment shall not pass to a successor in title to the Unit unless the successor agrees to assume the obligation.

k Enforcement

i If any Unit Owner fails to timely pay assessments or any money or sums due to the Association, the Association may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding.

ii For any failure to comply with the provisions of this Article or any provision of the Declaration, Bylaws, articles, or Rules and regulations, other than the payment of assessments or any money or sums due to the Association, the Association, any Unit Owner, or any class of Unit Owners adversely affected by the failure to comply may seek reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply, without the necessity of commencing a legal proceeding.

iii For each claim or defense, including but not limited to counterclaims, cross-claims, and third-party claims, in any legal proceeding to enforce or defend the provisions of this Article or of the Declaration, Bylaws, articles, or Rules and regulations, the court shall award to the party prevailing on such claim the prevailing party's reasonable collection costs and attorney fees and costs incurred in asserting or defending the claim.

- iv Notwithstanding paragraph 3 of this section, in connection with any claim in which a Unit Owner is alleged to have violated a provision of this Article or of the Declaration, Bylaws, articles, or Rules and regulations of the Association and in which the court finds that the Unit Owner prevailed because the Unit Owner did not commit the alleged violation:
 - (a) The court shall award the Unit Owner reasonable attorney fees and costs incurred in asserting or defending the claim; and
 - (b) The court shall not award costs or attorney fees to the Association. In addition, the Association shall be precluded from allocating to the Unit Owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or defending the claim.
- v A Unit Owner shall not be deemed to have confessed judgment to attorney fees or collection costs.

ARTICLE XX - RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Common Expense Assessments, only by the affirmative vote of Unit Owners of Units to which at least 51 percent of the votes in the Association are allocated, at a meeting called for that purpose, and with the Eligible Mortgagee notice described in Article XVIII.

ARTICLE XXI - PERSONS AND UNITS SUBJECT TO DOCUMENTS

A Compliance with Documents

All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by that Unit Owner, tenant, mortgagee or occupant. All provisions recorded in the Records are covenants running with the land and shall bind any Persons having at any time any interest or estate in any Unit.

B Adoption of Rules and Agreements

The Board shall adopt Rules regarding the use and occupancy of Units as it affects the Common Elements, the Limited Common Elements and the activities of occupants, subject to Notice and Comment.

C Participation in the Common Interest Community

All Owners of a Residential Unit recognize and agree that the community will only thrive if each Owner contributes to its functioning. Each Owner shall contribute by doing what he or she is able to do and has an interest in doing. Each Owner shall strive to share equitably any work the community decides is necessary, including active participation in the governance of the Association.

ARTICLE XXII – INSURANCE

A Coverage

To the extent reasonably available, the Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Board determines that any insurance described in this Article will not be maintained, the Board shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

B Property Insurance Coverage

- 1 Property insurance will cover:
 - a the Units and all Common Elements, but excluding the finished interior surfaces of the walls, floors, and ceilings of the Units, and excluding land, excavations, portions of foundations below the undersurface of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies, and also excluding any of the following types of property contained within a unit:
 - i fixtures, improvements and alterations that are part of the building or structure;
 - ii permanently installed appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and
 - iii any other personal property owned by, used by or in the care, custody or control of an Owner; and
 - b all personal property owned by the Association.
- 2 The property insurance will be for an amount (after application of any deductions) equal to 100 percent of the Association's facilities' actual cash value at the time the insurance is purchased and at each renewal date. Personal property owned by the Association will be insured for an amount equal to its actual cash value.
- 3 The Board is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the Association's facilities and the actual cash value of the personal property, and the cost of such appraisals shall be a Common Expense.
- 4 The maximum deductible for insurance policies shall be not greater than one percent of the policy face amount.
- 5 The difference between the total policy deductible and \$250 deductible per Unit damaged shall be paid by the Association as a Common Expense. Of the deductible portion, \$250 per Unit Owner affected shall be paid by each of the Unit Owners suffering the loss as an additional Common Expense.
- 6 The insurance shall afford protection against "all risks" of direct physical loss commonly insured.

- a Insurance policies required by this Section shall provide that:
 - i the insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner.
 - ii an act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.
 - iii if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner which covers the same risk covered by the policy, the Association's policy provides primary insurance.
 - iv losses must be adjusted with the Association.
 - v insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, they are to be held in trust for each Unit Owner and the Unit Owner's mortgagee.
 - vi the insurer may not cancel or refuse to renew the policy until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, to each Unit Owner and to each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

C Liability Insurance

Liability insurance, including medical payments insurance, will be maintained in an amount determined by the Board, but in no event shall it be less than \$1,000,000. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and the activities of the Association. Insurance policies carried pursuant to this Section shall provide that:

- 1 each Unit Owner is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association;
- 2 the insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;
- 3 an act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy;
- 4 if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance; and
- 5 the insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a

certificate or memorandum of insurance has been issued at their last known addresses.

D Fidelity Bonds

A blanket fidelity bond or dishonesty insurance coverage may be provided at the option of the Board for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond or insurance shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond is in force. In no event shall the bond or coverage be for an amount less than the sum of three months' assessments plus reserve funds. The bond or coverage shall include a provision that calls for 10 days' written notice to the Association, each holder of a Security Interest in a Unit, each servicer that services a FNMA-owned or FHLMC-owned mortgage on a Unit and the insurance trustee, if any, before the bond can be cancelled or substantially modified for any reason. The bond or coverage shall be in an amount equal to the maximum amount of funds in the custody and control of the Association when the bond or insurance is in effect. When either: (a) separate bank accounts for working funds and reserves are maintained and monthly checks are sent directly to the Association, (b) a management company maintains separate records and bank accounts for each Association's reserve account, or (c) two Directors must sign any check written on the reserve account, then the fidelity bond or coverage may be in an amount equal to three months' Common Expense Assessments on all Units.

E Unit Owner Policies

An insurance policy issued to the Association does not eliminate the need for Unit Owners to obtain insurance for their own benefit. Unit Owners are required at a minimum, to obtain insurance covering the finished interior surfaces of the walls, floors and ceilings of their Units.

F Workers' Compensation Insurance

The Board shall obtain and maintain Workers' Compensation Insurance if required by the laws of the State of Colorado.

G Directors' and Officers' Liability Insurance

The Board shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the Directors and officers of the Association. This insurance will have limits determined by the Board.

H Other Insurance

The Association may carry other insurance which the Board considers appropriate to protect the Association.

I Premiums

Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

ARTICLE XXIII - DAMAGE TO OR DESTRUCTION OF PROPERTY

A Duty to Restore

A portion of the Common Interest Community for which insurance is required under C.R.S., §38-33.3-313, or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed, must be repaired or replaced promptly by the Association unless:

- 1 the Common Interest Community is terminated; or
- 2 repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety; or
- 3 the owners of eighty percent (80%) of the Units, including each Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

B Cost

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

C Plans and Specifications

The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board, a majority of Unit Owners and after notice as required by the Act to the Eligible Mortgagees.

D Replacement of Less Than Entire Property

- 1 The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community.
- 2 Except to the extent that other persons will be distributees:
 - a the insurance proceeds attributable to a Unit and Limited Common Elements that are not rebuilt must be distributed to the Owner of the Unit and the Owner of the Unit to which the Limited Common Elements were allocated, or to lien holders, as their interests may appear; and
 - b the remainder of the proceeds must be distributed to each Unit Owner or lien holder, as their interests may appear, in proportion to the Common Element interests of all the Units.
 - c If the Unit Owners vote not to rebuild a Unit, the Allocated Interests of the Unit are reallocated upon the vote as if the Unit had been condemned under C.R.S., §38-33.3-107(1), and the Association promptly shall

prepare, execute and record an amendment to the Declaration reflecting the reallocations.

E Insurance Proceeds

The Trustee, or if there is no Trustee, then the Board of the Association, acting by the Chairperson, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of Article XXIII Section A paragraphs 1 through 3 of this Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged Property. The Association, Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the Property has been completely repaired or restored, or unless the Common Interest Community is terminated.

F Certificates By Board

The Trustee, if any, may rely on the following certifications in writing made by the Board:

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

G Certificates by Attorneys or Title Insurance Companies

If payments are to be made to Unit Owners or mortgagees, then the Board and the Trustee, if any, shall obtain and may rely on a title insurance company's or attorney's title certificate or a title insurance policy based on a search of the Records, from the date of the recording of the original Declaration, stating the names of the Unit Owners and the mortgagees.

ARTICLE XXIV - NOTICE AND COMMENT; NOTICE AND HEARING

A Right to Notice and Comment

Before the Board amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment," and at any other time the Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action either shall be given to each Unit Owner in writing, delivered personally, by electronic mail or by U.S. mail to all Unit Owners at such address as appears in the records of the Association. The notice shall be given not less than five days before the proposed action is to be taken. It shall invite comment to the Board orally or in writing before the scheduled time of the hearing. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted hearing.

B Right to Notice and Hearing

Whenever the Documents require that an action be taken after "Notice and Hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Board, a committee, an officer, the Manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the

proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Any evidence shall be duly considered, but is not binding in making the decision. The affected person shall be notified of the decision in the same manner in which notice of the hearing was given.

C Appeals

Any person having a right to Notice and Hearing shall have the right to appeal to the Board from a decision of persons other than the Board by filing a written notice of appeal with the Board within 10 days after being notified of the decision. The Board shall conduct a hearing within 30 days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXV – BOARD

A Association Records and Minutes of Board Meetings

The Board shall permit any Unit Owner, or holder, insurer or guarantor of first mortgages secured by Units, to inspect the records of the Association and the minutes of Board and committee meetings during normal business hours. The minutes shall be available for inspection within 15 days after any such meeting.

- 1 The Association shall keep financial records sufficiently detailed to enable the Association to comply with C.R.S. section 38-33.3-316(8) concerning statements of unpaid assessments.
- 2 The Association shall keep as permanent records minutes of all meetings of unit owners and the Board, a record of all actions taken by the Unit Owners or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Unit Owners and of the Board or any committee of the Board.
- 3 The Association or its agent shall maintain a record of Unit Owners in a form that permits preparation of a list of the names and addresses of all Unit Owners, showing the number of votes each Unit Owner is entitled to vote.
- 4 The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- 5 All financial and other records shall be made reasonably available for examination and copying by any Unit Owner and such owner's authorized agents.
- 6 The Association may charge a fee, not to exceed the Association's actual cost per page, for copies of Association records.

- 7 As used in this section, "reasonably available" means available during normal business hours, upon notice of five business days, to the extent that:
- a The request is made in good faith and for a proper purpose;
 - b The request describes with reasonable particularity the records sought and the purpose of the request; and
 - c The records are relevant to the purpose of the request.
- 8 In addition to the records specified in paragraph 1 of this section, the Association shall keep a copy of each of the following records at its principal office:
- a Its Articles of Incorporation
 - b The Declaration;
 - c The covenants, Rules and guidelines of the Board, including all Community Agreements.
 - d Its Bylaws;
 - e Resolutions adopted by its Board relating to the characteristics, qualifications, rights, limitations, and obligations of Unit Owners or any class or category of Unit Owners;
 - f The minutes of all Unit Owners' meetings, and records of all action taken by Unit Owners without a meeting, for the past three years;
 - g All written communications within the past three years to Unit Owners generally as Unit Owners;
 - h A list of the names and business or home addresses of its current directors and officers;
 - i Its most recent annual report, if any; and
 - j All financial audits or reviews conducted during the immediately preceding three years.
- 9 This section shall not be construed to affect:
- a The right of a Unit Owner to inspect records:
 - i Under corporation statutes governing the inspection of lists of shareholders or members prior to an annual meeting; or
 - ii If the Unit Owner is in litigation with the Association, to the same extent as any other litigant; or
 - iii The power of a court, independently of this Article, to compel the production of Association records for examination on proof by a Unit Owner of proper purpose.
- 10 This section shall not be construed to invalidate any provision of the Declaration, Bylaws, the corporate law under which the Association is organized, or other documents that more broadly defines records of the Association that are subject to inspection and copying by Unit Owners, or that grants Unit Owners freer access to such records.

B Powers and Duties

The Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, which shall include, but not be limited to, the following:

- 1 adopt and amend Bylaws, Rules and regulations;
- 2 adopt and amend budgets for revenues, expenditures and reserves;
- 3 collect Common Expense Assessments from Unit Owners;
- 4 hire and discharge managing agents;
- 5 hire and discharge independent contractors, employees and agents, other than managing agents;
- 6 institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of or otherwise enforce the Association's Declaration, Bylaws or Rules in the Association's name on behalf of the Association or Owners of two or more Units on matters affecting the Common Interest Community;
- 7 make contracts and incur liabilities;
- 8 regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- 9 cause additional Improvements to be made as a part of the Common Elements;
- 10 acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Article XVIII above and C.R.S., §38-33.3-312;
- 11 grant easements for any period of time, including permanent easements, and leases, licenses and concessions through or over the Common Elements, for no more than one year;
- 12 impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, other than Limited Common Elements described in C.R.S., §§38-33.3-202(1)(b) and (1)(d), and for services provided to Unit Owners;
- 13 impose a reasonable charge for late payment of assessments, and after Notice and Hearing, levy reasonable fines for violations of this Declaration, the Bylaws, Rules and regulations of the Association;

- 14 impose a reasonable charge for the preparation and recordation of amendments to this Declaration and for a statement of unpaid assessments;
- 15 provide at the option of the Board for the indemnification of the Association's officers and Board and/or maintain Directors' and officers' liability insurance;
- 16 assign the Association's right to future income, including the right to receive common expense assessments;
- 17 exercise any other powers conferred by this Declaration, the Bylaws or the Act;
- 18 exercise any other power that may be exercised in this state by legal entities of the same type as the Association;
- 19 exercise any other power necessary and proper for the governance and operation of the Association; and
- 20 by resolution, establish permanent and standing committees or teams of Directors and/or Owners to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee or team. All committees or teams must maintain and publish notice of their actions to Unit Owners and the Board. However, actions taken by a committee or team may be appealed to the Board by any Unit Owner within 45 days of publication of the notice. If an appeal is made, the committee or team action must be ratified, modified or rejected by the Board at its next regular meeting.

C Board Limitations

The Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community or to elect members of the Board or determine the qualifications, powers and duties or terms of office of Board members, but the Board may fill vacancies in its membership for the unexpired portion of any term.

D Public Disclosures

- 1 The Association shall provide to all Unit Owners, at least once per year, a written notice stating the name of the Association; the name of the Association's designated agent or management company, if any; and a valid physical address and telephone number for both the Association and the designated agent or management company, if any. The notice shall also include the name of the Common Interest Community, the initial date of recording of the Declaration, and the reception number or book and page for the main document that constitutes the Declaration. If the Association's address, designated agent, or management company changes, the Association shall provide all Unit Owners with an amended notice within ninety days after the change. The Association is encouraged to provide all notices and agendas required by this Article in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the Association shall provide notice of all regular and special

meetings of Unit Owners by electronic mail to all Unit Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before the meeting.

- 2 Within ninety days after the end of each fiscal year, the Association shall make the following information available to Unit Owners upon reasonable notice in accordance with paragraph 3 of this section:
 - a The date on which its fiscal year commences;
 - b Its operating budget for the current fiscal year;
 - c A list, by unit type, of the Association's current assessments, including both regular and special assessments;
 - d Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
 - e The results of any financial audit or review for the fiscal year immediately preceding the current annual disclosure;
 - f A list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.
 - g All the Association's Bylaws, articles, Agreements and Rules and regulations;
 - h The minutes of the Board and member meetings for the fiscal year immediately preceding the current annual disclosure; and
 - i The Association's responsible governance policies adopted under C.R.S. section 38-33.3-209.5.
- 3 The Association shall have the widest possible latitude in methods and means of disclosure, while requiring that the information be readily available at no cost to Unit Owners at their convenience. Disclosure shall be accomplished by one of the following means: Posting on an internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a common expense liability.

ARTICLE XXVI - OPEN MEETINGS

A Access

All regular and special meetings of the Association's Board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives. Agendas for meetings of the Board shall be made reasonably available for examination by all members of the

Association or their representatives. Notwithstanding any provision herein, or in the Bylaws, or other documents to the contrary, all Unit Owners or designated representatives so desiring shall be permitted to speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Board, Unit Owners who are not Board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board. The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Unit Owner or a Unit Owner's designated representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

B Notice

Notice of every such meeting will be given not less than 24 hours prior to the time set for such meeting, by posting such notice in a conspicuous location in the Common Interest Community, except that such notice will not be required if an emergency situation requires that the meeting be held without delay.

C Executive Sessions

Meetings of the Board may be held in executive session, without giving notice and without the requirement that they be open to Unit Owners, in either of the following situations only:

- 1 if no action is taken at the executive session requiring the affirmative vote of Directors; or
- 2 if the action taken at the executive session involves personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Unit Owners, matters which are to remain confidential by request of the affected parties and agreement of the Board or actions taken by unanimous consent of the Board.

D Meetings of Unit Owners

Meetings of the Unit Owners, as the members of the Association, shall be held at least once each year. Special meetings of the Unit Owners may be called by the Chairperson, by a majority of the Board, or by Unit Owners having twenty percent, or any lower percentage specified in the Bylaws, of the votes in the Association. Not less than ten nor more than fifty days in advance of any meeting of the Unit Owners, the secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices. The notice shall state the time and place of the meeting and the items on the agenda, including the

general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

ARTICLE XXVII - VOTING RIGHTS

A Votes of Multiple Owners

If only one of the multiple owners of a unit is present at a meeting of the Association, such owner is entitled to cast the vote allocated to that unit. If more than one of the multiple owners is present, the vote allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one of the multiple owners casts the vote allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit.

B Contested Votes for Board Members

Votes for contested positions on the Board shall be taken by secret ballot. Upon the request of Owners of 20% of the Residential Units who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any other matter affecting the Common Interest Community on which the Owners of all Residential Units are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a Unit Owner who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two or more such Unit Owners. The results of the vote shall be reported without reference to names, addresses, or other identifying information.

C Proxy Votes

Votes allocated to a unit may be cast pursuant to a proxy duly executed by a Unit Owner. A proxy shall not be valid if obtained through fraud or misrepresentation. Unless otherwise provided in these Declarations, Bylaws, or Rules of the Association, appointment of proxies may be made substantially as provided in section C.R.S. §7-127-203.

D Units With Multiple Owners

If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

E Rejection of Votes

The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Unit Owner.

F Indemnification from Damages Related to Voting

The Association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of this section are not liable in damages for the consequences of the acceptance or rejection.

G Action of the Association is Valid Unless Vacated by a Court

Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation under this section is valid unless a court of competent jurisdiction determines otherwise.

ARTICLE XXVIII – CONDEMNATION

If part or all of the Common Interest Community is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with C.R.S., §38-33.3-107.

ARTICLE XXIX - MISCELLANEOUS PROVISIONS

A Captions

The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents or the intent of any provision thereof.

B Gender

The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.

C Waiver

No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

D Invalidity

The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of the Documents shall continue in full force and effect.

E Conflict

The Documents are intended to comply with the requirements of the Act. If there is any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

F Alternative Dispute

1 the following applies:

- a Any controversy between the Association and a Unit Owner arising out of the provisions of this article may be submitted to mediation by either party to the controversy prior to the commencement of any legal proceeding.
- b The mediation agreement, if one is reached, may be presented to the court as a stipulation. Either party to the mediation may terminate the mediation process without prejudice.
- c If either party subsequently violates the stipulation, the other party may apply immediately to the court for relief.

2 The Rules of the Association may specify situations in which disputes shall be resolved by binding arbitration under the "Uniform Arbitration Act", part 2 of article 22 of title 13, C.R.S.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed effective the 12th day of September, 2007.

Silver Sage Development, LLC, a Colorado limited liability company

By: _____
_____, Manager

STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this _____ day of September, 2007 by _____ as Manager of Silver Sage Development, LLC, a Colorado limited liability company.

Witness my hand and official seal.
My commission expires: _____.

Notary Public
Address: _____

APPROVED: Horizon Banks, N.A.

by: _____
STATE OF COLORADO)
) ss.
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this _____ day of September, 2007 by _____ as _____ of Horizon Banks, N.A.

Witness my hand and official seal.
My commission expires: _____.

Notary Public
Address: _____

APPROVED, both as to the form of these Declarations and the corresponding Map:
Colorado Business Bank

by: _____

STATE OF COLORADO)
)
COUNTY OF BOULDER)

The foregoing instrument was acknowledged before me this _____ day of September, 2007 by
_____ as _____ of Colorado
Business Bank.

Witness my hand and official seal.
My commission expires: _____.

Notary Public
Address: _____

EXHIBIT A TO THE DECLARATION

LEGAL DESCRIPTION

Lot 6, Buena Vista Subdivision, together with that portion of vacated 17th St. which reverts according to Ordinance No. 6048, recorded May 21, 1999 at Reception No. 1941817 and further described in Deed of Vacation recorded March 25, 1999 at Reception No. 1920537, and except that portion conveyed to City of Boulder, a Colorado home rule city, in Deed of Dedication recorded January 29, 2003 at Reception No. 2389555 and Lot 13, Peoples Clinic Subdivision, as recorded with the Boulder County Clerk and Recorder at P-66 F-2 #12, Reception No. 2809748, dated October 5, 2006, County of Boulder, State of Colorado.

EXHIBIT B TO THE DECLARATION

TABLE OF INTEREST AND ALLOCATIONS

| Address | Unit No. | Common | Equivalent Persons | Per Sq Ft |
|----------------------|----------|--------|--------------------|-----------|
| 1622 Yellow Pine Ave | 1 | 6.25% | 4.55% | 4.73% |
| 1632 Yellow Pine Ave | 2 | 6.25% | 4.55% | 3.84% |
| 1642 Yellow Pine Ave | 3 | 6.25% | 4.55% | 3.84% |
| 1652 Yellow Pine Ave | 4 | 6.25% | 4.55% | 3.84% |
| 1662 Yellow Pine Ave | 5 | 6.25% | 4.55% | 3.84% |
| 1672 Yellow Pine Ave | 6 | 6.25% | 4.55% | 7.09% |
| 1624 Yellow Pine Ave | 7 | 6.25% | 9.09% | 6.78% |
| 1634 Yellow Pine Ave | 8 | 6.25% | 4.55% | 3.84% |
| 1644 Yellow Pine Ave | 9 | 6.25% | 9.09% | 8.81% |
| 1654 Yellow Pine Ave | 10 | 6.25% | 9.09% | 8.81% |
| 1664 Yellow Pine Ave | 11 | 6.25% | 4.55% | 3.84% |
| 1674 Yellow Pine Ave | 12 | 6.25% | 9.09% | 6.78% |
| 1600 Yellow Pine Ave | 13 | 6.25% | 4.55% | 7.09% |
| 1610 Yellow Pine Ave | 14 | 6.25% | 9.09% | 9.90% |
| 1680 Yellow Pine Ave | 15 | 6.25% | 9.09% | 9.90% |
| 1690 Yellow Pine Ave | 16 | 6.25% | 4.55% | 7.09% |
| | | 100% | 100% | 100% |

- 1 In the table above, the percentages in the column labeled “Common” have been calculated in accordance with the information in Article IX Sections A and B. The percentages shown can only be changed if additional units are added to the condominium Association, or one or more units are deleted from the condominium Association.

- 2 In the table above, the percentages in the column labeled “Equivalent Persons” have been assigned as of the creation of the condominium Association. They shall remain in full effect until and unless the community, during its annual budgeting process, agrees to new assignments. Such reassignment shall not occur more frequently than once per year. If the community agrees to amend these assignments, it shall not be required to update and rerecord these Declarations. However any update shall be documented and filed with other community documents under the established record keeping procedures.

- 3 In the table above, the percentages in the column labeled “Per Sq. Ft” have been assigned as of the creation of the condominium Association. They shall remain in full effect until and unless the community, during its annual budgeting process, agrees to new assignments. Such reassignment shall not occur more frequently than once per year. If the community agrees to amend these assignments, it shall not be required to update and rerecord these Declarations. However any update shall be documented and filed with other community documents under the established record keeping procedures.

EXHIBIT C TO THE DECLARATION

GARAGE UNITS

GU 2

GU 6

GU 7

GU 8

GU 9

GU 14

GU 15

GU 16

GU 17

GU 18

GU 19

GU 20

GU 21

GU 22

GU 23

GU 24