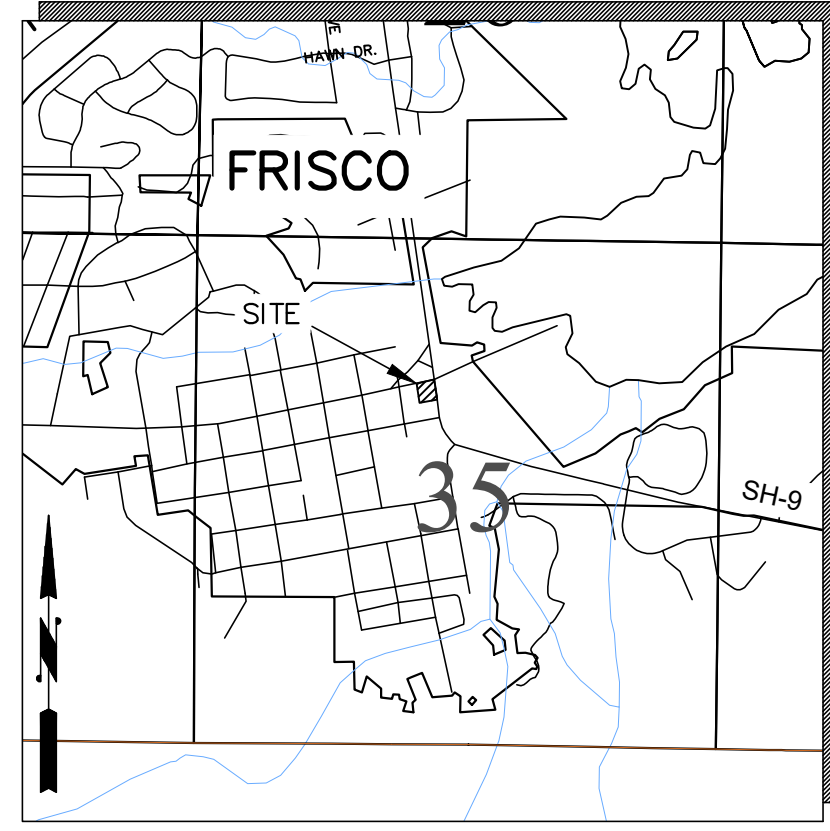


RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS

A Resubdivision Plat of Lots 1-6, Block 13, Frisco Townsite
Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
Town of Frisco, County of Summit, State of Colorado



VICINITY MAP APPROXIMATE SCALE 1" = 2000'
Section 35, T5S, R78W, 6th PM

Dedication

Know all men by these presents: That BASELINE CAPITAL INVESTMENTS, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP, being the owner(s) of the land described as follows: Lots 1, 2, 3, 4, 5 and 6, Block 13, Frisco Town Subdivision, County of Summit, State of Colorado, containing 0.48 acres more or less, in Summit County, Colorado, under the name and style of SKY HAUS BREWERY BUILDING CONDOMINIUMS, have laid out, platted and subdivided same as shown on this plat, and by these presents do hereby dedicate to the perpetual use of the Town of Frisco, State of Colorado, the streets, alleys, roads and other public areas as shown hereon and hereby dedicate those portions of land labeled as easements for the installation and maintenance of public utilities as shown hereon.

In witness whereof, the said owner BASELINE CAPITAL INVESTMENTS, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP has caused his name to hereunto be subscribed this _____ day of _____ AD _____

Owner

Notarial

State of Colorado.

The foregoing instrument was acknowledged before me this _____ day of _____ AD _____ by BASELINE CAPITAL INVESTMENTS, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP.

My commission expires on _____

Witness my hand and official seal.

(Signature) _____

(Printed name of Notary) _____
Notary Public

Frisco Planning Commission Approval

The Planning Commission of Frisco, Colorado, represented by the Commission Chairman, does hereby authorize and approve this plat of the above subdivision on this _____ day of _____ AD _____

By: _____
Chairman

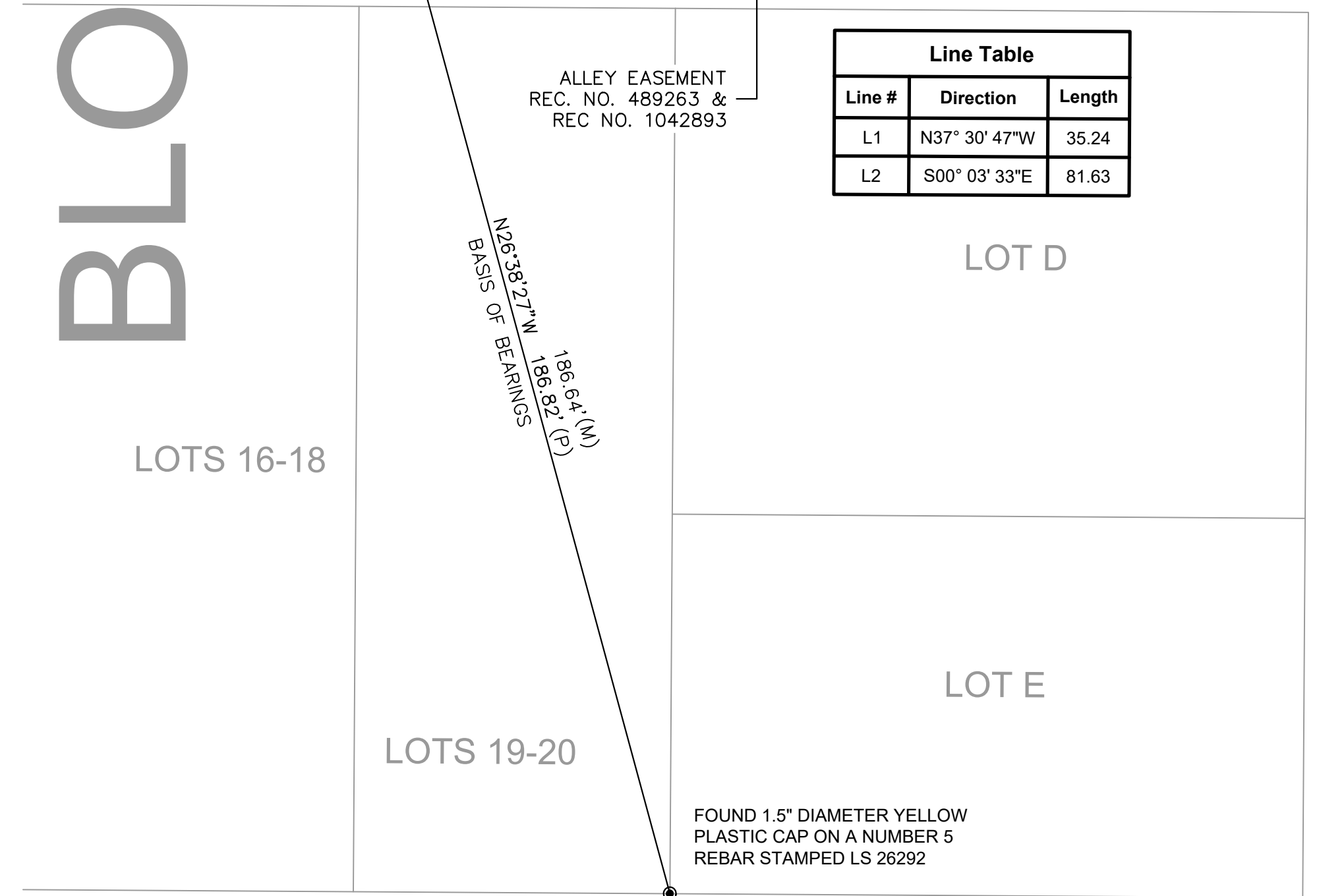
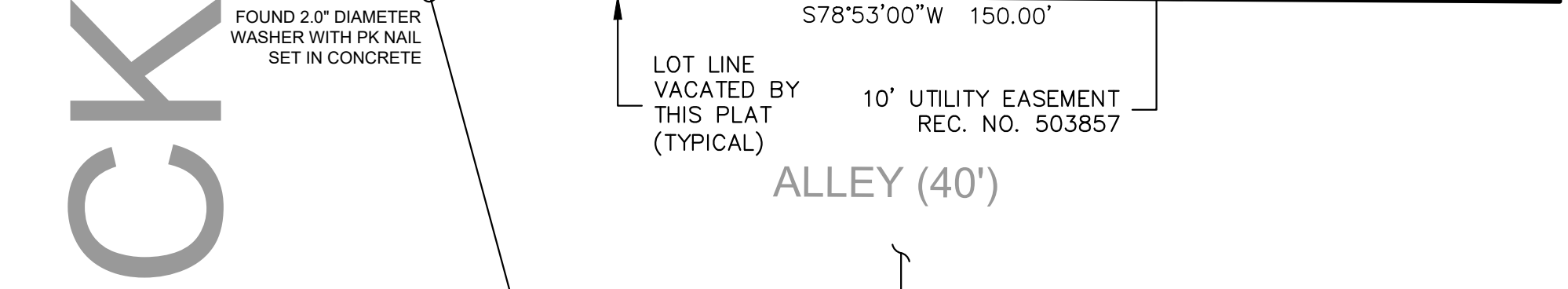
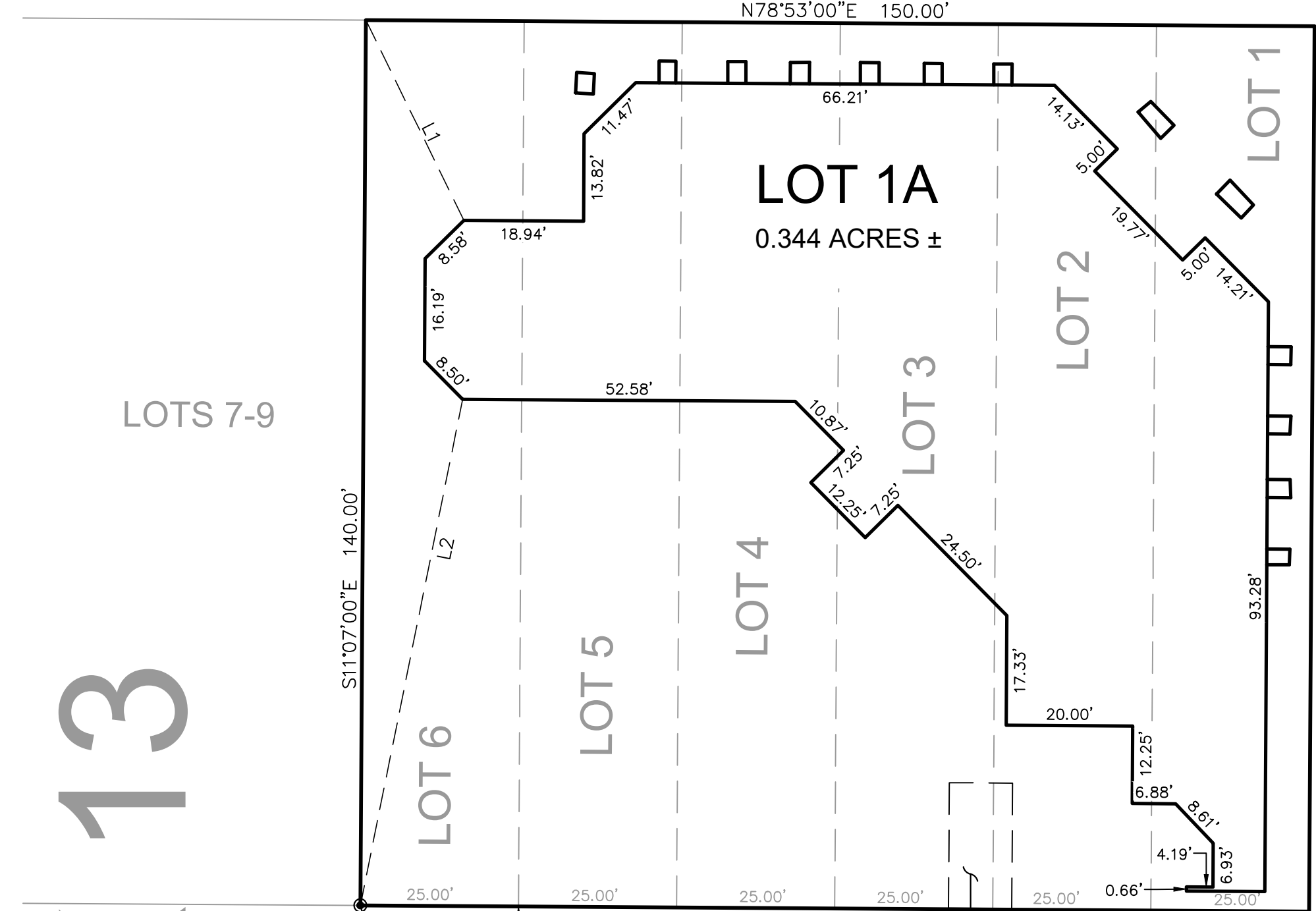
Frisco Town Council Approval

The within plat of _____ is approved by the Town Council of Frisco, Colorado, represented by the Mayor, for filing this _____ day of _____. The dedication of the public ways shown hereon will not be accepted until said public ways have been satisfactorily completed to the town's specifications by the subdivider. Upon such satisfactory compliance, the Town Council of the Town of Frisco may adopt a resolution accepting the said dedication of public ways and duly record such acceptance.

By: _____
Mayor

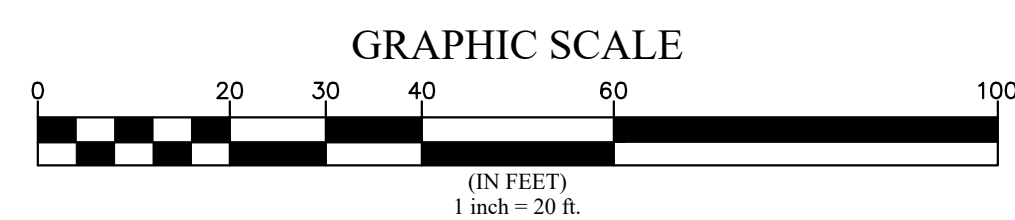
Attest: _____
Town Clerk

MAIN STREET (80' R.O.W.)



Line Table		
Line #	Direction	Length
L1	N37° 30' 47"W	35.24
L2	S00° 03' 33"E	81.63

GRANITE STREET (80' R.O.W.)



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

NOTES:

- 1) Survey Date: May & June, 2022.
- 2) The purpose of this plat is to depict the areas and measurements of the units and common elements that comprise SKY HAUS BREWERY BUILDING CONDOMINIUMS, and vacate and resubdivide Lots 1-6, Block 13, Frisco Town Sub, as shown on the Amended Map of Frisco Townsite recorded at Reception Number 77585 on June 7, 1986 at the Office of the Clerk and Recorder, County of Summit, State of Colorado into LOT 1A, SKY HAUS BREWERY BUILDING CONDOMINIUMS.
- 3) Bearings are based upon the southwest property corner of Lots 1-6, Block 13 monumented by a found 2.0" washer with PK nail set in concrete and the found 1.5" diameter yellow plastic cap on a number 5 rebar stamped LS 26292 monumenting the southwest property corner of Lot E Block 13, the bearing being S 26°38'27" E a measured distance of 186.64'.
- 4) (P) denotes plotted bearings and distances.
(M) denotes measured bearings and distances.
- 5) This plat and map are part of the Declarations for SKY HAUS BREWERY BUILDING AND CONDOMINIUMS recorded _____ at Reception No. _____
- 6) CE denotes Common Elements and LCE denotes Limited Common Elements of SKY HAUS BREWERY BUILDING CONDOMINIUMS. CA denotes Common Areas of Mount Royal Plaza Owners Association, the Master Association.
- 7) A client supplied Title Commitment from Land Title Guarantee Company of Summit County with order number MRG20208636-2 with an effective date of June 17, 2022 at 5:00 P.M. was referenced in preparation of this plat.
- 8) This property is subject to exception number 12 in Schedule B, Part II in the above referenced title commitment which reads as follows: TERMS, CONDITIONS AND PROVISIONS OF EASEMENT RECORDED APRIL 04, 1995 UNDER RECEPTION NO. 489263 AND AMENDMENT RECORDED NOVEMBER 25, 2013 UNDER RECEPTION NO. 1042893. (Elements as noted hereon.)
- 9) This property is subject to exception number 13 in Schedule B, Part II in the above referenced title commitment which reads as follows: TERMS, CONDITIONS AND PROVISIONS OF EASEMENT RECORDED NOVEMBER 22, 1995 UNDER RECEPTION NO. 503857. (Easement as shown hereon.)

Title Company Certificate

_____ Title Company does hereby certify that it has examined the title to all lands as shown on this plat, and title to such lands is in the dedication free and clear of all liens, taxes and encumbrances, except as follows:

Agent _____

Certificate of Taxes Paid

I, the undersigned, do hereby certify that the entire amount of taxes and assessments due and payable as of _____ upon all parcels of real estate described on this plat are paid in full.

Dated this _____ day of _____ 2_____

Signature _____
Summit County Treasurer

Land Surveyor's Certificate

I John R. Curran, being a licensed land surveyor in the State of Colorado, do hereby certify that this plat and survey of SKY HAUS BREWERY BUILDING AND CONDOMINIUMS was made by me and under my supervision and that both are accurate to the best of my knowledge. Steel pins and/or brass cap monuments were set at all boundary corners.

Dated this _____ day of _____ AD _____

John R. Curran
Colorado Registration Number 28267
Professional Land Surveyor
State of Colorado

County Clerk and Recorder

Summit County Clerk and Recorder's acceptance. This plat was accepted for filing in the office of the Clerk and Recorder of the County of Summit, Colorado, on this _____ day of _____.

Reception Number _____

Additional reference for Condominium Declaration at Reception Number _____

Additional reference for Declaration of Master Association at Reception Number 469115, 609291, 635383.

RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS Town of Frisco, County of Summit, State of Colorado	
DRAWN BY: PST	DATE: 12/07/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO: 22042	SHEET: 1 OF 7

MARCIN ENGINEERING LLC

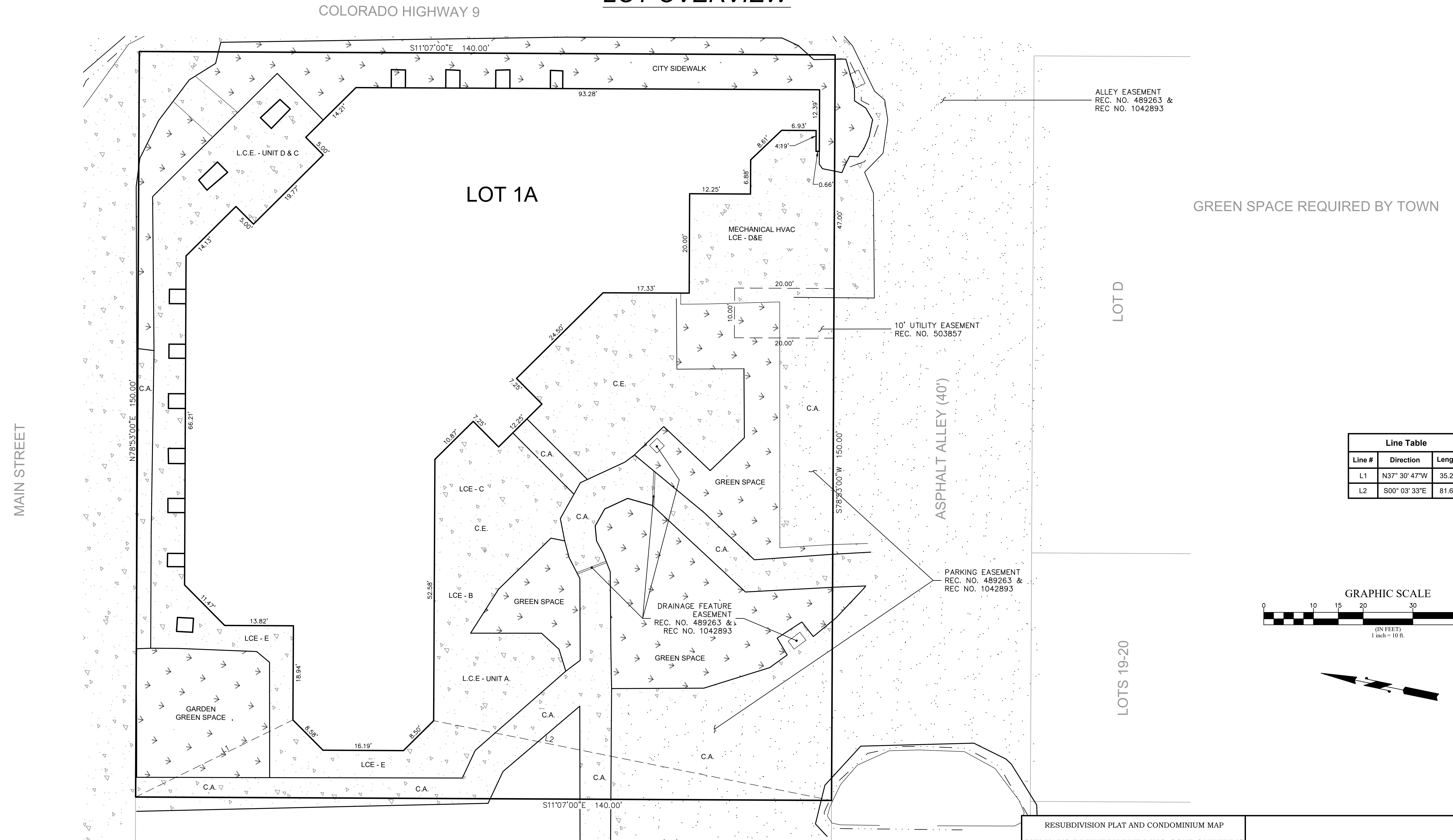
P.O. BOX 1062
AVON, CO 81620
(970) 748-0274
(970) 748-9021 FAX



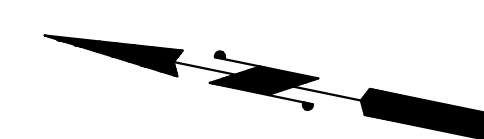
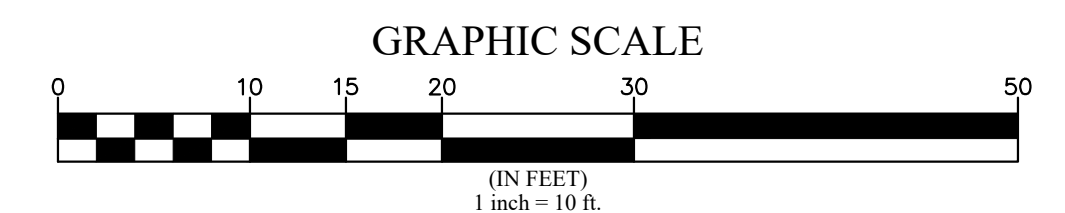
RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS

A Resubdivision Plat of Lots 1-6, Block 13, Frisco Townsite
Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
Town of Frisco, County of Summit, State of Colorado

LOT OVERVIEW



Line Table		
Line #	Direction	Length
L1	N37° 30' 47"W	35.24
L2	S00° 03' 33"E	81.63



DRAWN: C:\Users\jrc\OneDrive\Documents\Projects\22042 - Sky Haus Brewery Building Condominiums - MASTER SURVEY OCTOBER 2022.dwg

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

RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS Town of Frisco, County of Summit, State of Colorado	
DRAWN BY: PST	DATE: 12/07/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO: 22042	SHEET: 2 OF 7

MARCIN ENGINEERING LLC

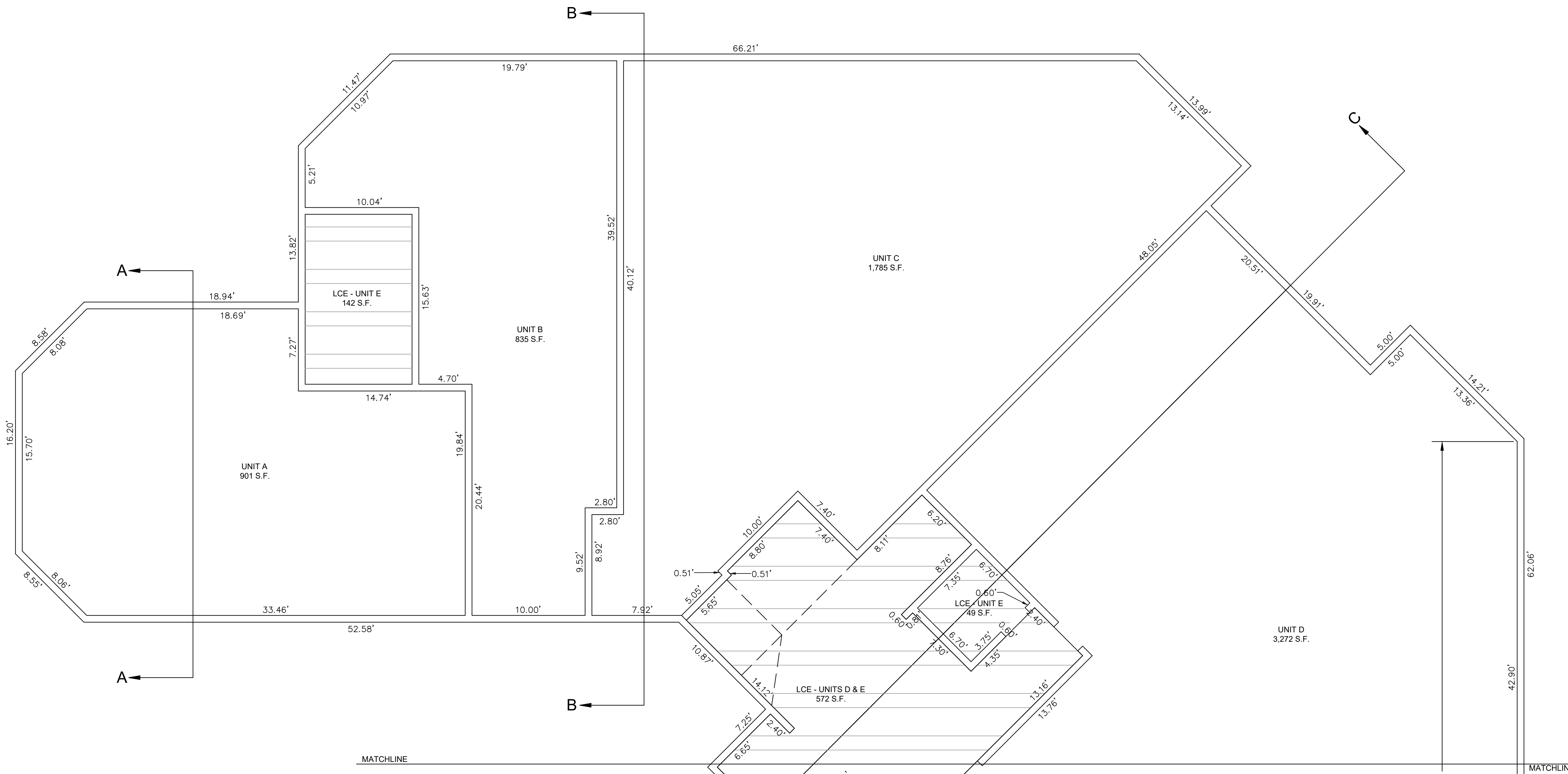
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(970) 748-0274
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RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS

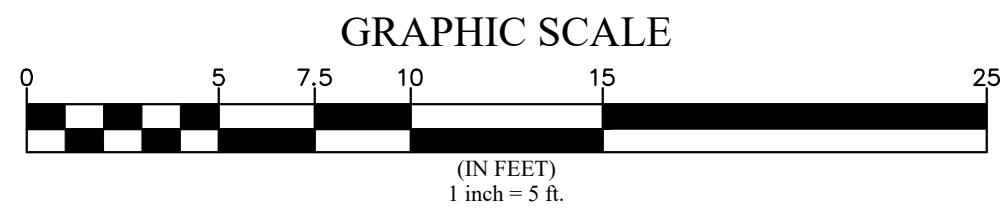
A Resubdivision Plat of Lots 1-6, Block 13, Frisco Townsite
Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
Town of Frisco, County of Summit, State of Colorado

FIRST FLOOR



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DRAWN BY: PST	DATE: 12/07/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO: 22042	SHEET: 3 OF 7

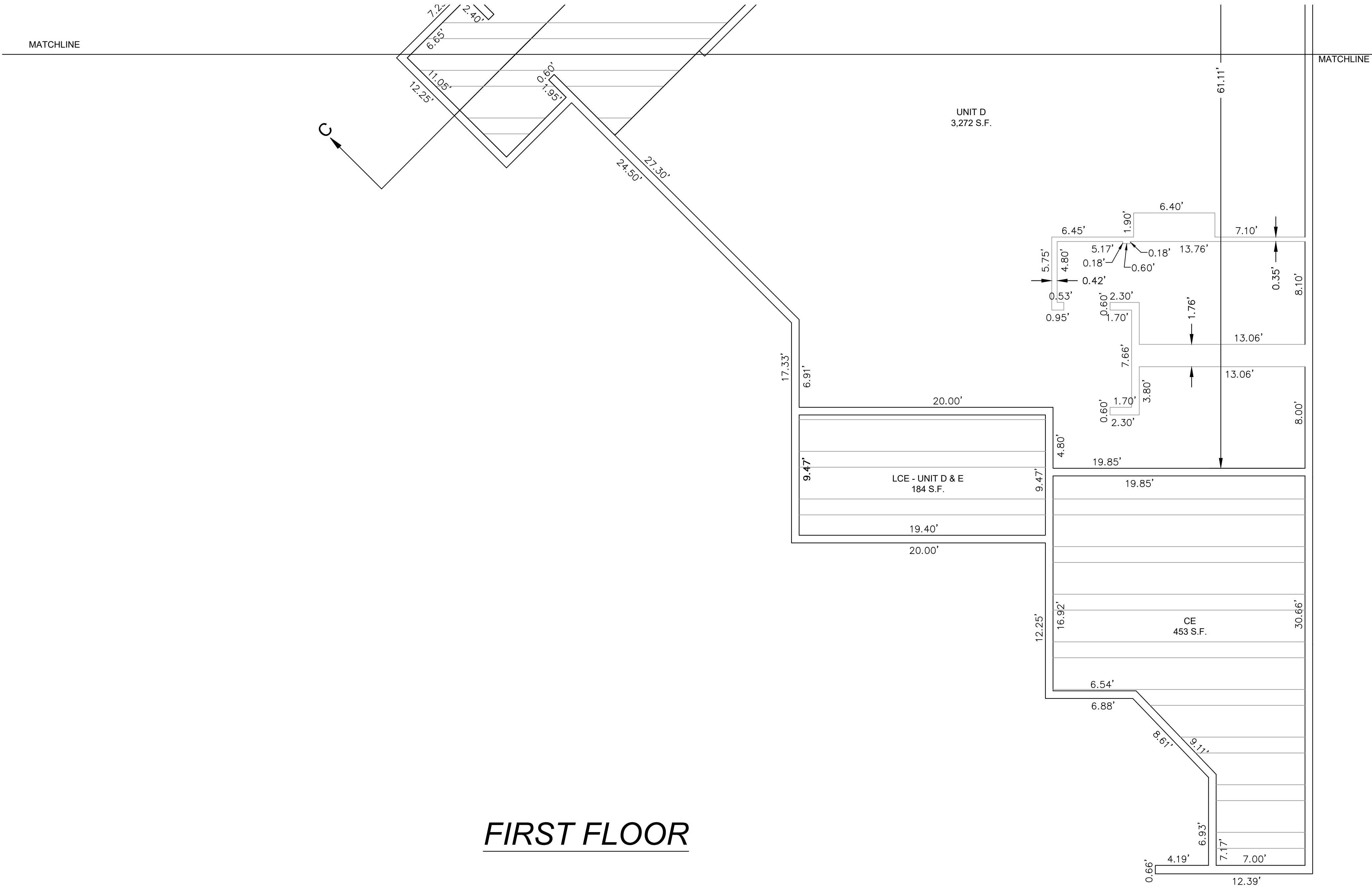
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AVON, CO 81620
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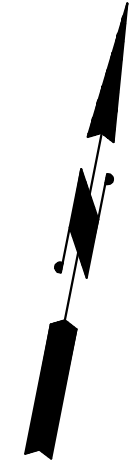
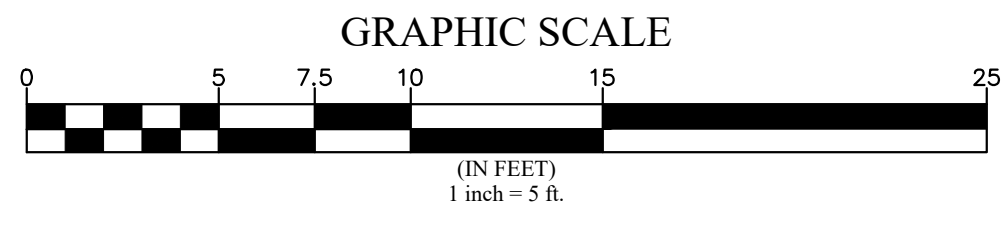


RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS

A Resubdivision Plat of Lots 1-6, Block 13, Frisco Townsite
Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
Town of Frisco, County of Summit, State of Colorado




FIRST FLOOR



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RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS Town of Frisco, County of Summit, State of Colorado	
DRAWN BY: PST	DATE: 12/07/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO: 22042	SHEET: 4 OF 7



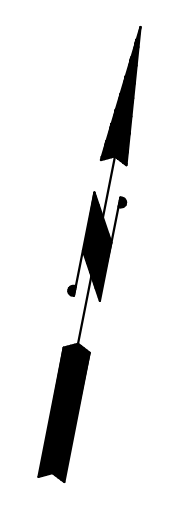
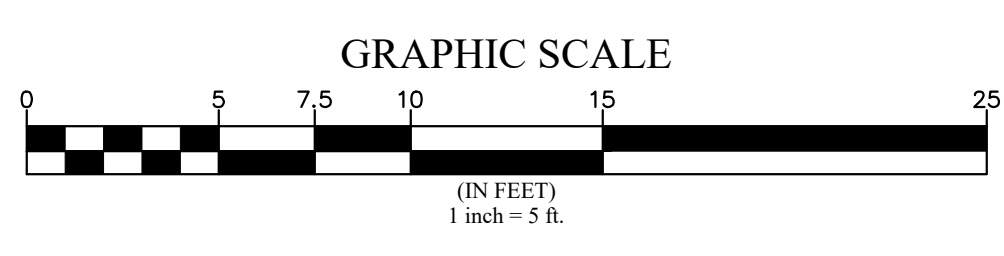
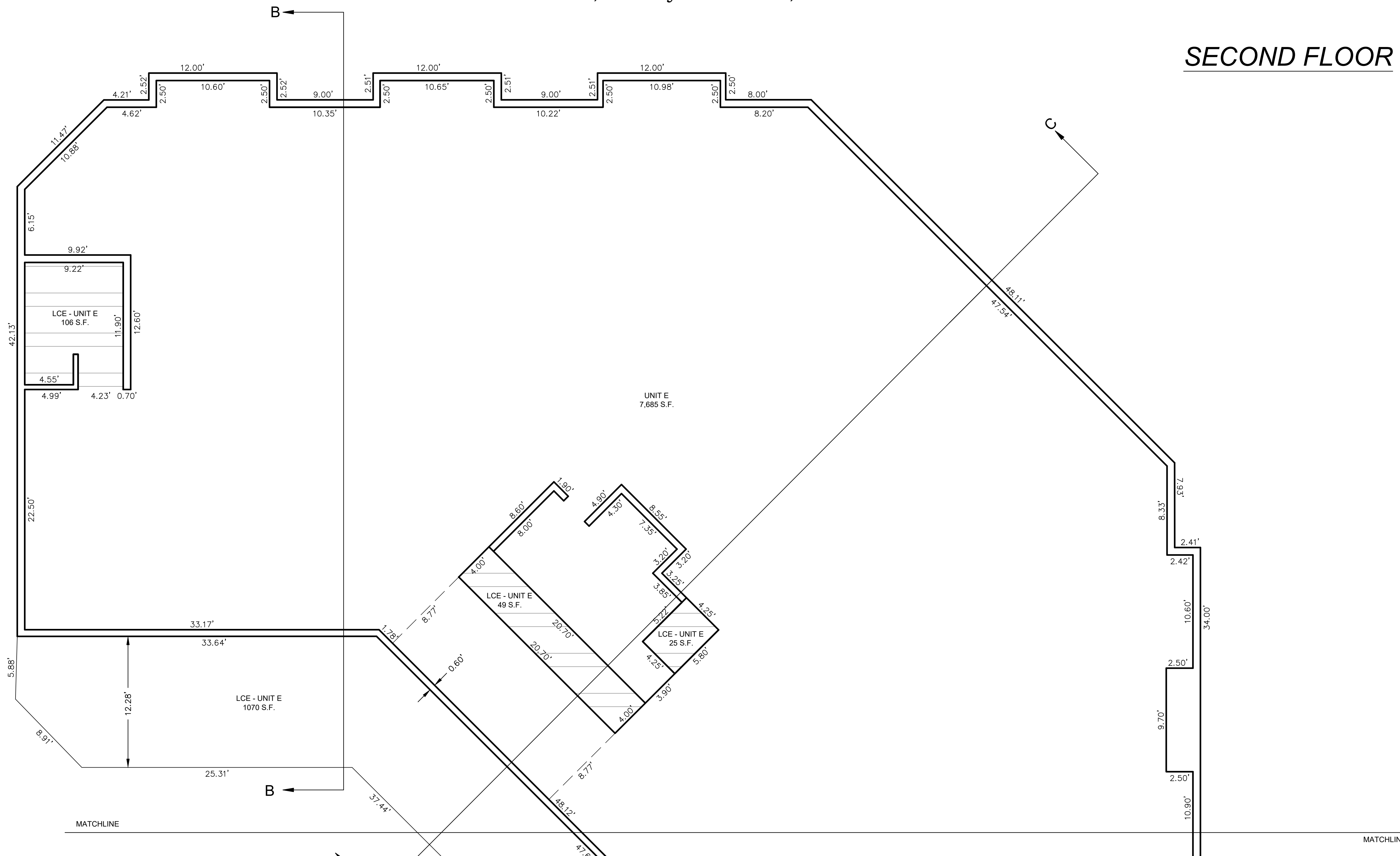
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P.O. BOX 1062
AVON, CO 81620
(970) 748-0274
(970) 748-9021 FAX

RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS

A Resubdivision Plat of Lots 1-6, Block 13, Frisco Townsite
Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
Town of Frisco, County of Summit, State of Colorado

SECOND FLOOR



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RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS Town of Frisco, County of Summit, State of Colorado	
DRAWN BY: PST	DATE: 12/07/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO.: 22042	SHEET: 5 OF 7

MARCIN ENGINEERING LLC

P.O. BOX 1062
AVON, CO 81620
(970) 748-0274
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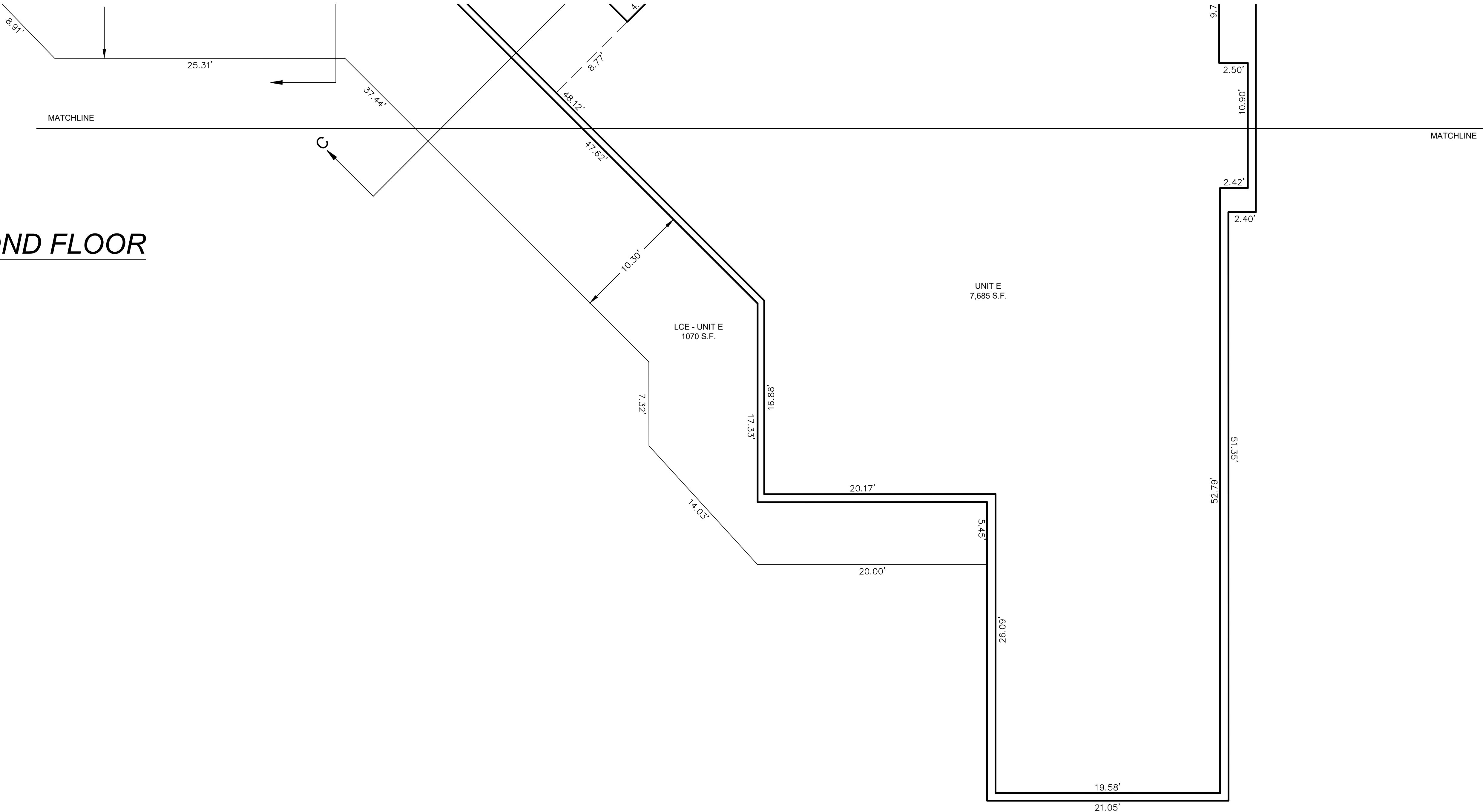


RESUBDIVISION PLAT AND CONDOMINIUM MAP

SKY HAUS BREWERY BUILDING CONDOMINIUMS

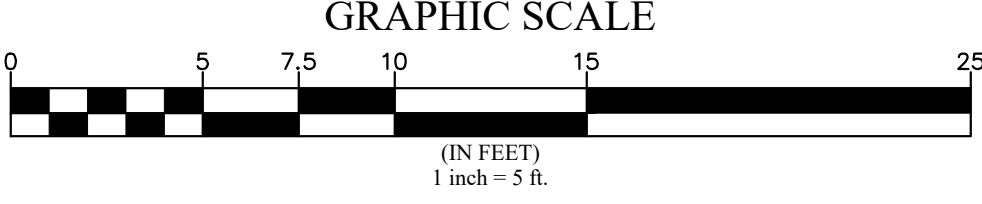
A Resubdivision Plat of Lots 1-6, Block 13, Frisco Townsite
 Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
 Town of Frisco, County of Summit, State of Colorado

SECOND FLOOR




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RESUBDIVISION PLAT AND CONDOMINIUM MAP	
SKY HAUS BREWERY BUILDING CONDOMINIUMS	
Town of Frisco, County of Summit, State of Colorado	
DRAWN BY: PST	DATE: 12/07/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO: 22042	SHEET: 6 OF 7



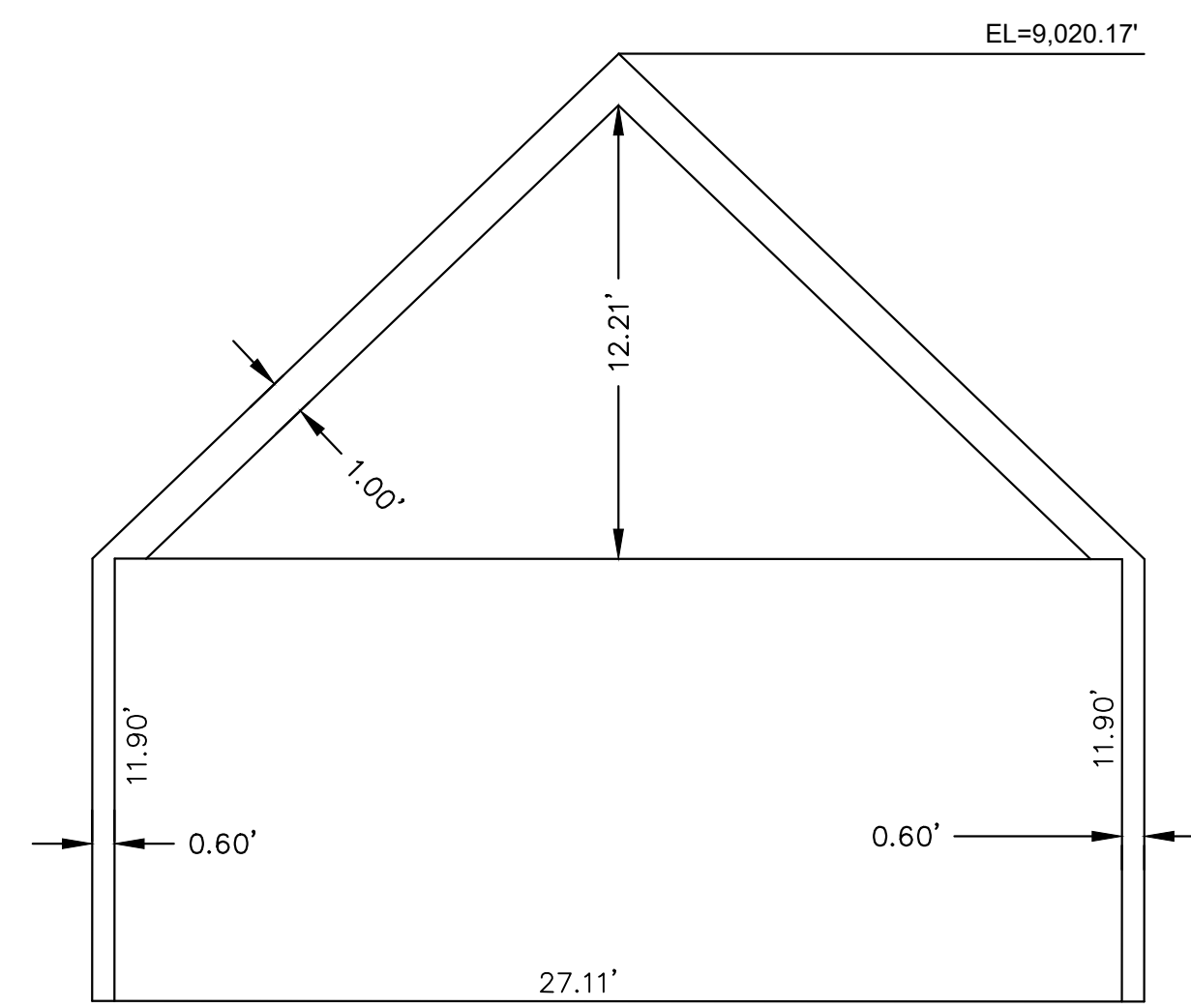
MARCIN ENGINEERING LLC

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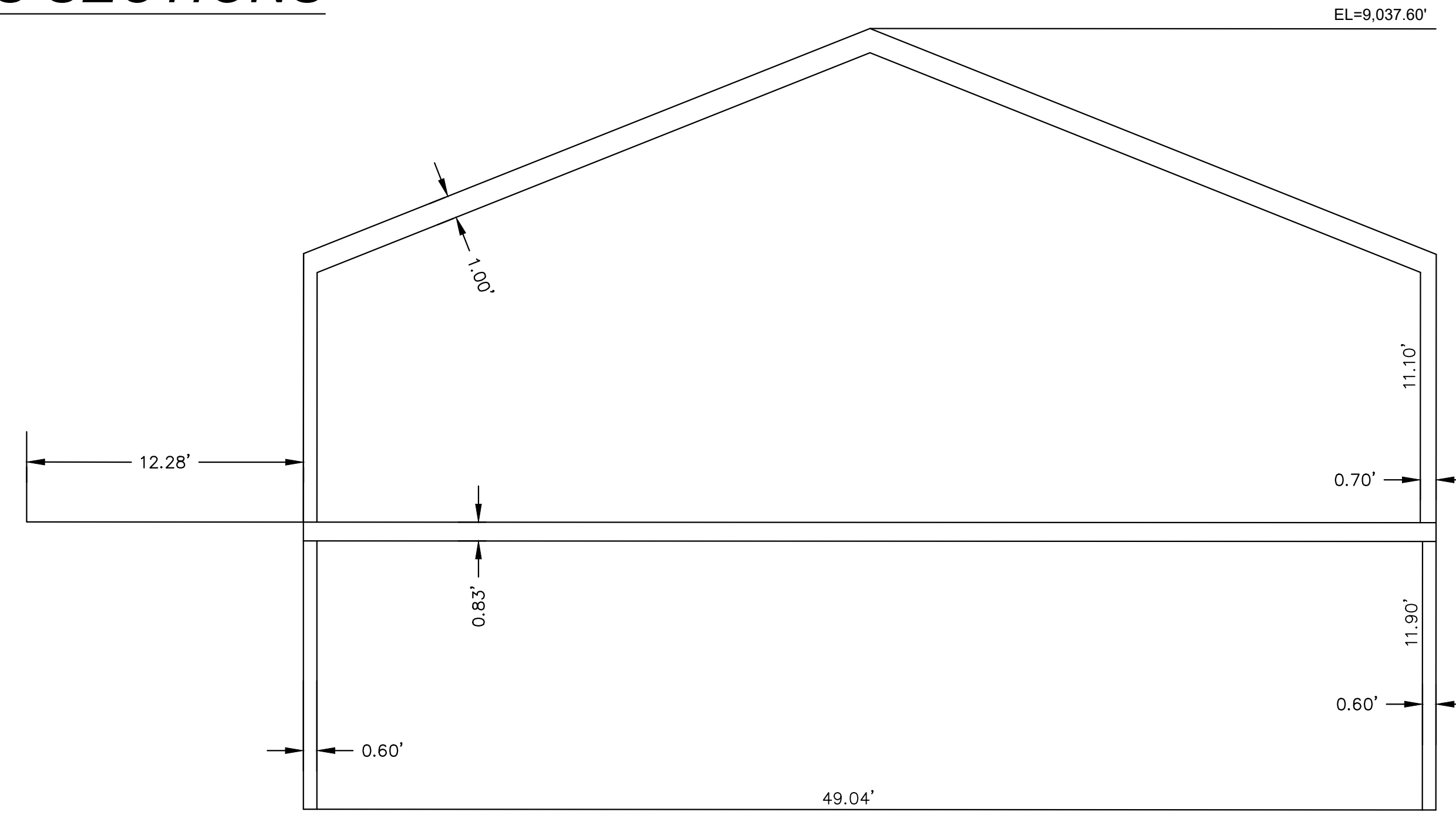
RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS

A Resubdivision Plat of Lots 1-6, Block 13, Frisco Townsite
Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
Town of Frisco, County of Summit, State of Colorado

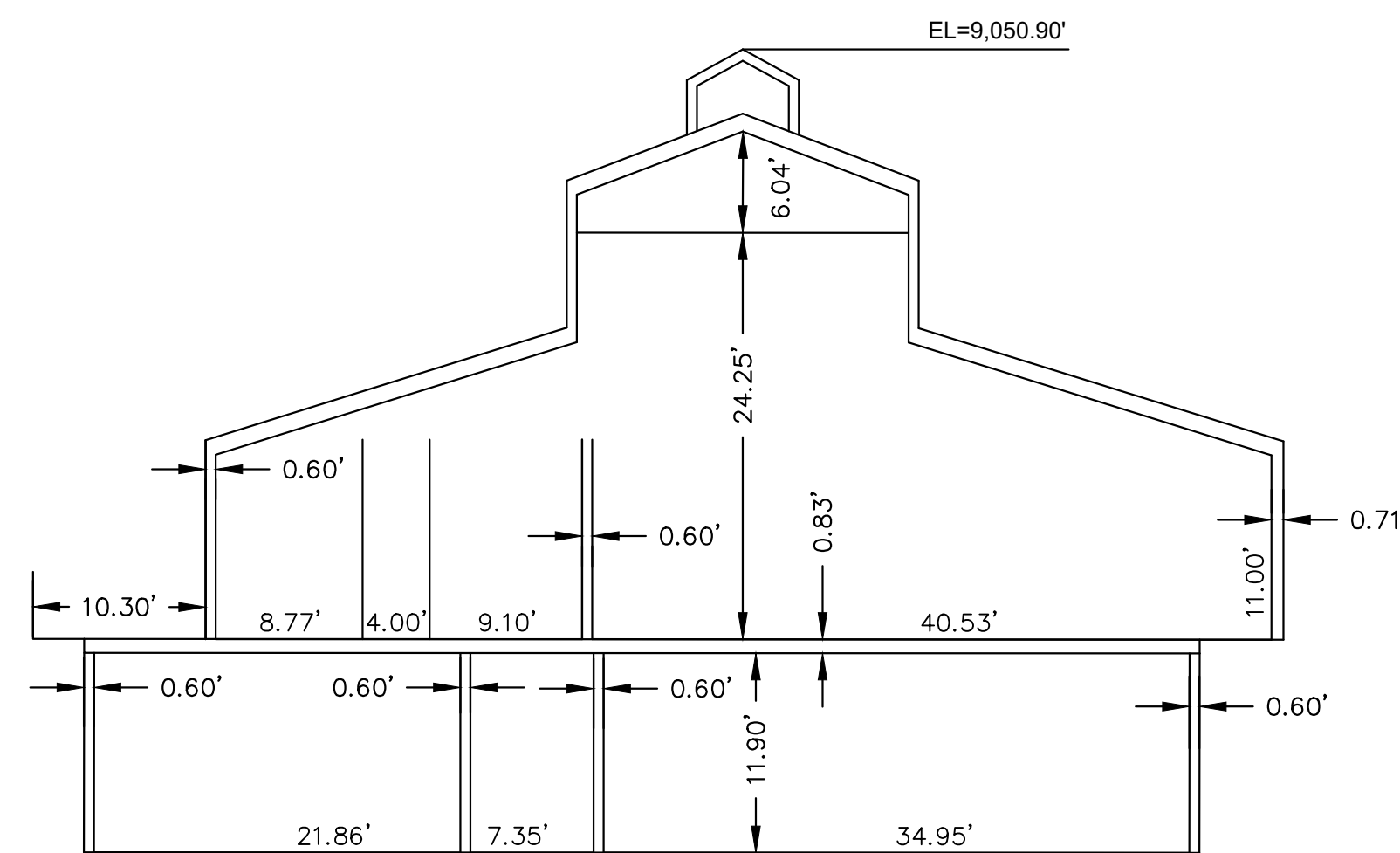
CROSS SECTIONS



SECTION A-A
SCALE: 1" = 5'



SECTION B-B
SCALE: 1" = 5'



SECTION C-C
SCALE: 1" = 10'

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

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RESUBDIVISION PLAT AND CONDOMINIUM MAP SKY HAUS BREWERY BUILDING CONDOMINIUMS Town of Frisco, County of Summit, State of Colorado	
DRAWN BY: PST	DATE: 12/07/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO: 22042	SHEET: 7 OF 7

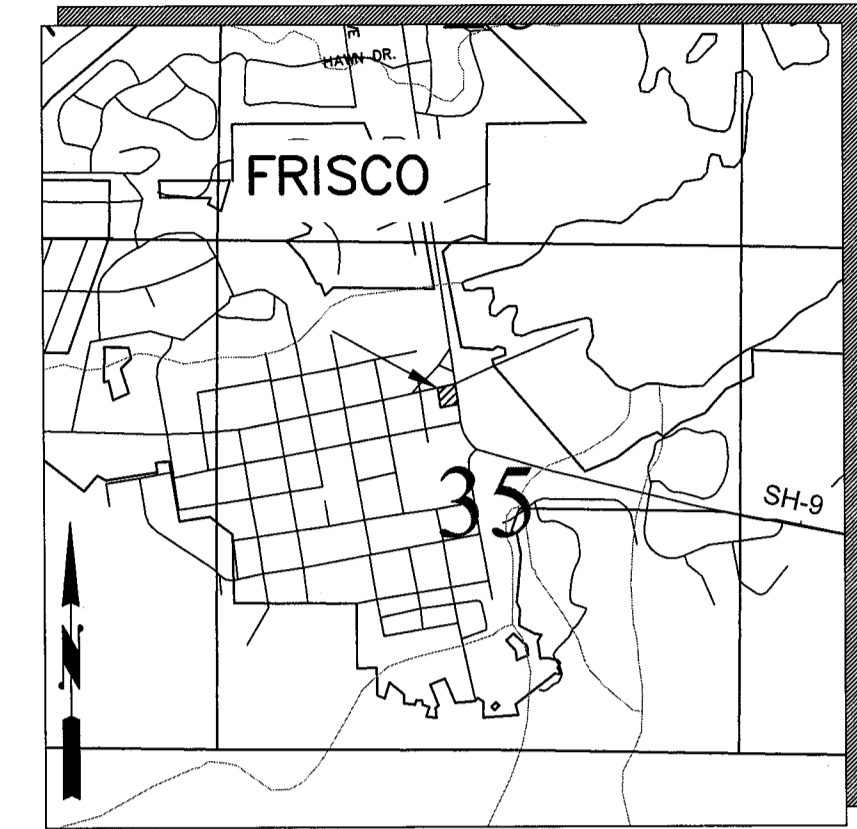
MARCIN ENGINEERING LLC

P.O. BOX 1062
AVON, CO 81620
(970) 748-0274
(970) 748-9021 FAX



A UTILITY PLAN FOR 720 EAST MAIN STREET

Section 35, Township 5 South, Range 78 West of the Sixth Principal Meridian
Town of Frisco, County of Summit, State of Colorado



VICINITY MAP APPROXIMATE SCALE 1" = 2000'
Section 35, T5S, R78W, 6th PM

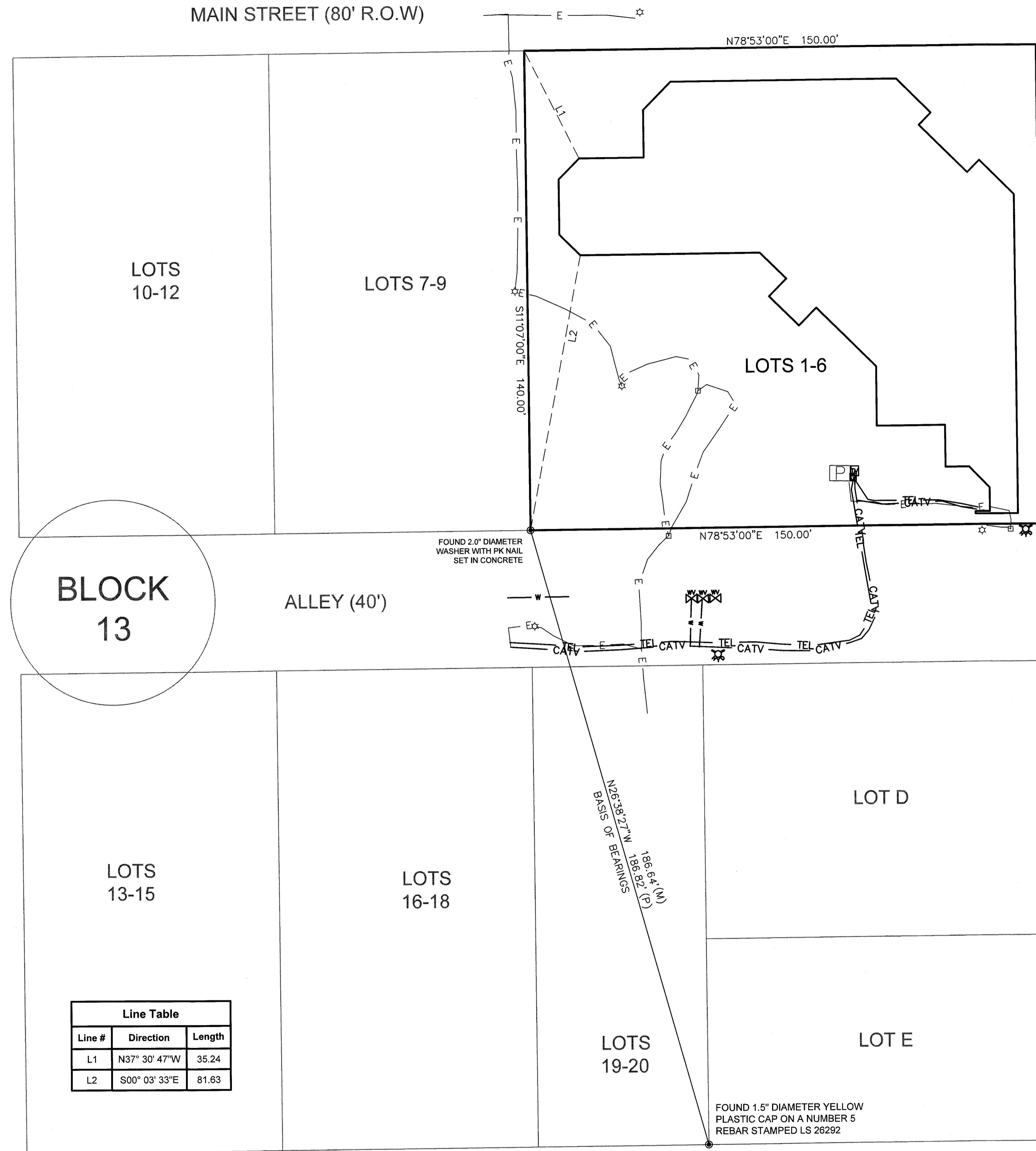
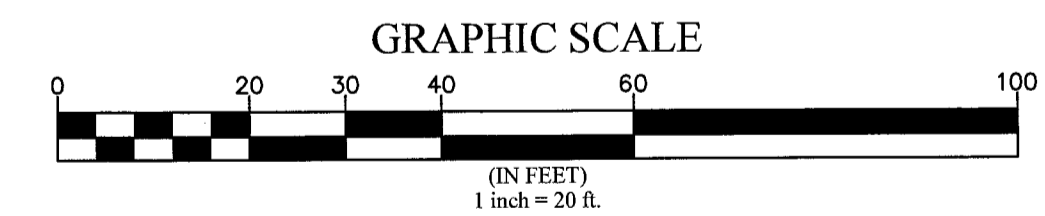
NOTES:

- 1) Survey Date: July 29, 2022.
- 2) Bearings are based upon the southwest property corner of Lots 1-6, Block 13 monumented by a found 2.0" washer with PK nail set in concrete and the found 1.5" diameter yellow plastic cap on a number 5 rebar stamped LS 26292 monumenting the southwest property corner of Lot E Block 13, the bearing being S 26°38'27" E a measured distance of 186.64'.
- 3) (P) denotes plotted bearings and distances.
(M) denotes measured bearings and distances.

Land Surveyor's Certificate

I, John R. Curran, a Professional Land Surveyor in the State of Colorado, hereby certify that this UTILITY PLAN was done by me or under my direct supervision, and that it was performed using the standard care and practice used in the area at the time of the survey. The Notes hereon are a part of this certification.

John R. Curran
Colorado Registration Number 28267
Professional Land Surveyor
State of Colorado



LEGEND	
☆	LIGHT POLE
⊠	ELECTRIC TRANSFORMER
⊗	FIRE HYDRANT
⊠	ELECTRIC OUTLET
⊗	WATER VALVE
⊠	TELEVISION PEDESTAL
⊠	TELEPHONE PEDESTAL
TEL	TELEPHONE LINE
CATV	TELEVISION LINE
E	ELECTRIC LINE

Line Table		
Line #	Direction	Length
L1	N37° 30' 47"W	35.24
L2	S00° 03' 33"E	81.63

BLOCK
13

COLORADO HIGHWAY 9

7th STREET (75' R.O.W.)

GRANITE STREET (80' R.O.W)

A UTILITY PLAN FOR 720 EAST MAIN STREET Town of Frisco, County of Summit, State of Colorado	
DRAWN BY: PST	DATE: 8/3/2022
CHECKED BY: JRC	DRAWING NO.: 22042
JOB NO: 22042	SHEET: 1 OF 1

MARCIN ENGINEERING LLC

P.O. BOX 1062
AVON, CO 81620
(970) 748-0274
(970) 748-9021 FAX

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

DRAWN BY: J. Curran (March Engineering) / Project 22042 / 720 E. Main St. Frisco, Colorado 81439 / 8/3/2022 / JRC

**DECLARATION
FOR
SKY HAUS BREWERY BUILDING
CONDOMINIUMS**

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[table of contents will be corrected in final draft of Declaration]

DRAFT

DECLARATION FOR SKY HAUS BREWERY BUILDING CONDOMINIUMS

THIS DECLARATION FOR SKY HAUS BREWERY BUILDING CONDOMINIUMS is made by Baseline Capital Investments, LLLP, a Colorado limited liability limited partnership (“Declarant”).

RECITALS

A. Declarant owns the real property in Summit County, Colorado described in Exhibit A (the “Property”), upon which Declarant establishes Sky Haus Brewery Building Condominiums, a planned community (the “Community” or “Project”) as defined by the Colorado Common Interest Ownership Act (the “Act”).

B. Declarant has caused Sky Haus Brewery Building Owners Association, a Colorado nonprofit corporation (the “Association”), to be incorporated under the laws of the State of Colorado as a common interest community owners association to govern and operate the Community as provided in this Declaration.

C. This Declaration is executed (i) in furtherance of a common and general plan for the development of the Community; (ii) to protect and enhance the quality, value, aesthetics, desirability, and attractiveness of the Community; (iii) to further a plan for the improvement, sale, and ownership of the Units to the end that a harmonious and attractive development of the Property may be accomplished, and the health, comfort, safety, convenience, and general welfare of Declarant and the Owners may be promoted and safeguarded; (iv) to set forth the responsibilities and authority of the Association to govern and manage the Community; (v) to define certain duties, powers, and rights of the Owners; and (vi) to define certain duties, powers, and rights of Declarant.

ARTICLE 1 DECLARATION AND SUBMISSION

1.1. Submission of Property. All of the Property shall be held, sold, and conveyed subject to the easements, restrictions, covenants, and conditions included in this Declaration including, without limitation, the Development Rights and Special Declarant Rights set forth in Article 8 below. Declarant further declares that this Declaration is made for the purpose of protecting the value and desirability of the Community; that this Declaration shall run with any and all portions of the Property.

1.2. Covenants Running with the Real Estate. The benefits, burdens, and all other provisions contained in this Declaration shall be covenants running with and binding upon the Property.

1.3. Purpose. The purpose of this Declaration is to create a planned community which will be known as “Sky Haus Brewery Building Condominiums” (the “Community”). The Declarant has elected to exempt the Project from the provisions of the Colorado Common Interest Ownership Act (the “Act” or “CCIOA”) pursuant to C.R.S. §§ 38-33.3-116(2); however, certain provisions of the Act as referenced in this Declaration will also apply to the Community as set forth in this Declaration.

1.4. Binding Upon and Inure to the Successors. The benefits, burdens, and all other provisions contained in this Declaration shall be binding upon and inure to the benefit of Declarant, the Association, all Owners, and their respective heirs, executors, administrators, personal representatives, successors, and assignees. Any right or any interest reserved or contained in this Declaration to or for the benefit of Declarant may be transferred or assigned by Declarant, either separately or with one or more of such rights or interests, to any person, corporation, partnership, association, or other entity, in accordance with the provisions of the Act.

ARTICLE 2
DEFINITIONS

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

2.2. Agency. Agency means and collectively refers to, the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA), the Colorado Housing and Finance Authority (CHFA) or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by any of such entities.

2.3. Allocated Interests. The Allocated Interests are the Common Expense liability, and votes in the Association, allocated to Units in the Common Interest Community. The Allocated Interests are described in § 3.3 and Exhibit B of this Declaration.

2.4. Assessment. Assessment shall include all Common Expense Assessments and any other expense levied to a Unit pursuant to this Declaration or the Act, including interest, late fees, attorney fees, fines, and costs.

(LV) Assessments are the funds required to be paid by each Lot Owner in payment of such Owner's Common Expense liability including Periodic, Special and Default Assessments levied pursuant to Article 8.

2.5. Association. The Association is Sky Haus Brewery Building Owners Association, a Colorado nonprofit corporation. It is hereby designated as the Association of Unit Owners pursuant to C.R.S., § 38-33.3-301.

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

2.7. Common Elements. The Common Elements ("CE"s) are each portion of the Common Interest Community other than a Unit. Common Elements include the Limited Common Elements, ("LCE"s). The Common Elements are owned by the Association.

2.8. 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:

- A. expenses of administration, maintenance, construction, improvement, repair, or replacement of the Common Elements;
- B. expenses declared to be Common Expenses by the Governing Documents or by the Act;
- C. expenses agreed upon as Common Expenses by the Association; and

D. reasonable reserves 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.

In addition, the costs and expenses imposed on the Association, benefiting fewer than all the Units, shall be a Common Expense but, except as otherwise stated herein, assessed exclusively against those Units benefited.

2.9. Community. The Community is the Property and all Improvements subject to this Declaration.

2.10. Declarant. The Declarant is Baseline Capital Investments, LLLP, a Colorado limited liability limited partnership.

2.11. Declaration. The Declaration is this document, including any amendments.

2.12. Director. A Director is a member of the Executive Board.

2.13. Eligible Mortgagee. An Eligible Mortgagee is a holder of a first security interest in a Unit (a "First Mortgagee") that has submitted a written request to the Association for notification of actions as provided in Article 13.

2.14. Executive Board. The Executive Board, or Board, manages the business affairs and exercises all powers and duties of the Association in conformance with this Declaration and the Act.

2.15. Governing Documents. The Governing Documents are this Declaration and the Map, the Master Declaration and the Articles of Incorporation, the Bylaws, the Rules of the Association and the Master Association as they may be amended from time to time. Any exhibit, schedule, or certification accompanying a Governing Document is a part of that document.

2.16. Guest. Guest means (a) a guest or invitee of an Owner; (b) an occupant or tenant of a Unit within the Community, and any invitee of any such person; (c) a contract purchaser; or (e) an employee, customer or client of an Owner or tenant.

2.17. Improvements. Improvements are any structure, equipment, fixture, or facilities existing, or to be constructed on, the Property, including, but not limited to, buildings, landscaping, paving, utility wires, pipes, and light poles.

2.18. 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, the Map, or by operation of C.R.S., §§ 38-33.3-202(1)(b) and (1)(d). The Limited Common Elements in the Community are described in Article 5 of this Declaration.

2.19. Managing Agent. A Managing Agent is a person employed or engaged to perform management services for the Community and the Association.

2.20. Map. Map means the Condominium Map of the Project, which is that part of this Declaration that is an improvement survey plat and depicts the Community in three dimensions and is recorded in the Summit County records, as it may be amended from time to time.

2.21. Master Association and Master Declaration. The Master Association is the Mount Royal Plaza Owners Association, a Colorado nonprofit corporation. The Unit Owners are all members of the Master Association and the Community is subject to the Master Declaration Of Covenants, Conditions and Restrictions for Mount Royal Plaza recorded June 01, 1994, under reception no. 469115, and all

amendments thereto. The Master Association operates and maintains the Common Area including the parking area, driveways and walkways, landscaping, trash dumpsters and drainage and utility improvements benefitting more than one Site in the Master Association.

2.22. Member. “Member” means any Owner as a participant in the Association, or a Director on the Executive Board, as the context requires.

2.23. Property. Property is the land and all Improvements, easements, rights, and appurtenances that have been submitted to the provisions of this Declaration, as described in Exhibits A.

2.24. Rules. The Rules are the regulations for the use of Common Elements and for the conduct of persons within the Community, as may be adopted by the Executive Board from time to time pursuant to this Declaration.

2.25. Special Declarant Rights. Special Declarant Rights are the rights reserved for the benefit of the Declarant under Article 8 of this Declaration.

2.26. Unit. A Unit is a physical portion of the Common Interest Community designated for separate occupancy and fee simple ownership, the boundaries of which are described on the Map and in §4.3 of this Declaration.

2.27. 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 Unit created and defined by this Declaration and the Map.

ARTICLE 3

MEMBERSHIP & VOTING RIGHTS; ASSOCIATION OPERATIONS

3.1. The Association. The Association is a Colorado nonprofit corporation organized under the Colorado Revised Nonprofit Corporation Act. Every Lot Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Association Members shall be all Owners who shall be entitled to vote in Association matters pursuant to this Declaration. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised by one person or alternative persons appointed by a proxy in accordance with the Bylaws. The vote allocated to the Lot shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter.

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

3.3. 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.

A. Liability for the Common Expenses. The share of liability for Common Expenses allocated to each Unit has been determined by dividing square feet in each Unit as shown on the Map by the total number square feet in all Units, and in accordance with the Assessment percentages set forth in Exhibit B. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under other provisions of this Declaration in Sections 7.6 and 7.9.

B. Votes. Each Unit Owner shall have votes in the affairs of the Association the same as CE Liability.

3.4. Authority of the Association. The business affairs of the Community shall be managed by the Association. The Association shall be governed by the Act, this Declaration, the Map, its Articles of Incorporation and Bylaws, and any Rules adopted by the Executive Board. All corporate or other powers of the Association, unless otherwise specified or expressly reserved to the Members in the Governing Documents, shall be exercised by or under the authority of the Executive Board, and the business and affairs of the Association shall be managed under the direction of the Executive Board. The Executive Board may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Executive Board of final responsibility. The Association may exercise any right or privilege and shall perform all duties and obligations expressly granted or reasonably necessary or implied in the Governing Documents to effect such right or privilege or to satisfy such duty or obligation.

3.5. Managing Agent. The Association may employ or contract for the services of a Managing Agent to whom the Executive Board may delegate certain powers, functions, or duties of the Association, as provided in the Bylaws of the Association. Any agreement for management of the Community shall be in writing having a term of not more than three years and be subject to cancellation by the Executive Board, with or without cause on 30 days' notice without any fee. The Executive Board shall not be liable for any omission or improper exercise by a Managing Agent of any duty, power, or function so delegated by written instrument executed by or on behalf of the Executive Board.

3.6. Indemnification. To the full extent permitted by law, each officer, director or committee member of the Association and other volunteer appointed by the Executive Board shall be indemnified by the Association against all expenses and liabilities including attorney fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an officer, director, committee member or other volunteer of the Association, or any settlements thereof, whether or not they are an officer, director, committee member or other volunteer appointed by the Executive Board at the time such expenses are incurred, pursuant to the indemnification provisions set forth in the Bylaws and Colorado law.

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

3.8. Association Ownership of Common Elements. In consideration for the obligations of maintenance and repair of the Association as set forth in this Declaration, the Declarant sells and conveys the Common Elements to the Association, reserving to the Declarant all Special Declarant Rights.

3.9. Period of Declarant's Control. During the period of Declarant's control, Declarant and any successor of Declarant who takes title to all or part of the Property for the purpose of development and sale of the Property and who is designated as Successor Declarant in a recorded instrument executed by Declarant, will have exclusive power to appoint and remove Directors and officers of the Association subject to the limitations in the Act. This period of Declarant's control will terminate no later than sixty (60) days after conveyance of 100% of the Units that may be created to Owners other than Declarant. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant's control, but, in that event, the Declarant may require for the duration of the period of Declarant's control, that specified actions of the Association

or the Executive Board, as described in a recorded instrument by the Declarant, be approved by the Declarant before they become effective.

3.10. Compliance with Governing Documents. All Unit Owners, Guests, Declarant and, to the extent they own Units, mortgagees shall comply with the Governing Documents and shall be subject to all rights and duties under these 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 Governing 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.

ARTICLE 4 **UNIT AND BOUNDARY DESCRIPTIONS**

4.1. Maximum Number of Units. The Community contains five (5) Units.

4.2. Description of a Unit. Every deed, lease, mortgage, will, or other instrument shall legally describe a Unit by its identifying Unit number together with a reference to the Map and this Declaration, in the following form:

Unit _____, SKY HAUS BREWERY BUILDING CONDOMINIUMS, according to the Condominium Map, recorded _____, at Reception No. _____, and subject to the Declaration recorded _____, at Reception No. _____, Summit County, Colorado.

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber, or otherwise affect not only the Unit but also any appurtenant easements, the Limited Common Elements appurtenant to such Unit, and such Unit's Allocated Interest. The reference to the Map and Declaration in any instrument shall be deemed to include all supplements or amendments to the Map and/or Declaration, without specific reference thereto.

4.3. Boundaries. The boundaries of the Unit shall be the unfinished interior surfaces of the perimeter walls (or the demising walls, if two or more Units adjoin each other), unfinished interior surfaces of floors (or the lowermost floors of Units containing more than one level), unfinished interior surfaces of ceilings (or the uppermost ceilings of the Units containing more than one level), and, to the extent any wall constituting a boundary of the Unit is penetrated by a door or a window, then the boundary of the Unit at such door or window shall be deemed to be a continuation of the plane of the unfinished interior surface of the wall. In the case of walls, floors and ceilings that are designated as boundaries of a Unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallboard paint and finished flooring and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all other portions of the walls, floors or ceilings are a part of the Common Elements.

A. **Inclusions.** Each Unit will include the spaces and Improvements lying within the boundaries described in the paragraph above, and will also include the interior walls, spaces and the Improvements within those spaces containing any space heating, water heating, or air conditioning apparatus; electrical, telephone, television, cable, broadband, or networking receptacles, switches, wiring, pipes, ducts, or conduits; smoke detectors or sprinkler systems; or light fixtures or boxes as are 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.

B. **Exclusions.** The following are excluded from each Unit: all chutes, pipes, flues, ducts, wires, conduits, and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Units or Common Elements or both.

4.4. Inconsistency with Map. If the Unit definition in § 4.3 is inconsistent with the Map, then the Map will control. In addition, to the extent permitted by the Act, the existing physical boundaries of a Unit or the physical boundaries of a Unit that is hereafter reconstructed in substantial accord with the description contained in this Declaration will be considered the legal boundaries of the Unit (rather than the boundaries specified in the description that appears in this Declaration), even if there has been vertical or lateral movement of the building or there is a minor variance between such boundaries and those in the description in this Declaration. However, this provision will not absolve a Unit Owner from liability if such Unit Owner has failed to adhere to any plats or plans or is determined to be guilty of any willful misconduct.

4.5. Additions, Alterations, and Improvements By Unit Owners.

A. No Unit Owner may make any structural addition, alteration, or Improvement in or to the Community without the prior written consent of the Executive Board in accordance with Subsection (C) below.

B. Subject to A. above, Unit Owners:

i. 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;

ii. may not change the appearance of the Common Elements, the exterior appearance of a Unit, or any other portion of the Community without permission of the Association; and

iii. 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 Community. Removal of partitions or creation of apertures under this Subsection is not an alteration of boundaries or a combination of Units. If a part of an adjoining Unit is acquired, boundaries will be relocated in accordance with § 4.8.

C. A Unit Owner may submit a written request to the Executive Board for approval of anything prohibited under (A) or (B) (ii) above. Failure to answer the request shall not constitute consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of its rules.

D. 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 by the Association only. This execution will not, however, create any liability on the part of the Association or any of its 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.

E. All additions, alterations, and Improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive 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. The provisions of this Section shall not apply to the Declarant in the exercise of any Special Declarant Right.

4.6. Common Element Changes By Executive Board. The Executive Board may make any additions, alterations, or Improvements to the Common Elements which, in its judgment, it deems necessary and in the best interest of the Community.

4.7. Association Approval of LCE Improvements. Unit Owners may make exterior Improvements within or as a part of Limited Common Element patios or decks, including repainting, restaining, addition of architectural detailing, changing of doors and windows, planting of gardens, installation of signs or other architectural concepts, provided the Improvements are undertaken with the permission of the Executive Board or an architectural review committee established by the Executive Board for such purpose and as provided in the Rules. Complete plans, prepared by an architect or landscape architect, shall first be submitted and reviewed by the Executive Board or committee for consistency with Improvements originally constructed by the Declarant and consistency with the style and character of the community. It is the intent to provide for limited individualization of the appearance of the buildings 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.

4.8. Application and Amendment of Boundaries. Subject to approval of any structural changes and required permits pursuant to § 4.5 and the provisions of the Act, 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. No relocation of boundaries shall be effected until necessary amendments to the Declaration and Map are executed pursuant to § 4.9.

4.9. Recording Amendments. The Association and appropriate Unit Owners shall in conformance with the Act 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 Executive Board deems it necessary to employ one or more consultants.

ARTICLE 5 **LIMITED COMMON ELEMENTS**

5.1. Limited Common Element Improvements. The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

A. 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 that Unit is a Limited Common Element, allocated solely to that Unit, the use of which is limited to that Unit; but any portion serving more than one Unit or a portion of the Common Elements is a part of the Common Elements.

C. Any shutters, awnings, window boxes, doorsteps, stoops, porches, decks, balconies, patios, and exterior doors and windows, and 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.

D. Signs and exterior lighting affixed to the building will be Limited Common Elements allocated to the Units served.

5.2. Reallocation. Limited Common Elements may be reallocated by an amendment to this Declaration executed by the affected Unit Owners in conformance with the Act; provided, however, that such reassignment shall at all times be voluntary and this Section shall not be interpreted to afford to any Unit Owner the right to compel the reassignment of any Limited Common Element.

ARTICLE 6
MAINTENANCE OF THE PROPERTY

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

A. Association Discretion. The Association may, in its sole discretion, assume the obligation to maintain or repair of additional property, either real or personal, within or without the Community. If the maintenance obligation to be assumed currently lies with the Owners or other entities, the Association may assume the Owner's maintenance obligation if approved by a majority vote of the Owners or which is included in any budget approved by the Owners.

B. Damage to Unit by the Association. The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. Such repair and subsequent cleaning shall be performed based on a reasonableness standard.

C. Liability of the Association.

i. The Association shall not be liable for injury or damage to person or property caused by or resulting from any water, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any device, pipe, drain, conduit, appliance or equipment which the association is responsible to maintain hereunder, except:

a. for injuries or damages arising after the Owner of a Unit has put the Association on written notice of a specific leak or flow from any portion of the Common Elements or device, pipe, drain, conduit, appliance or equipment for which the Association has a maintenance responsibility; and

b. only if the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter or in the event the Association failed to maintain any Common Elements in accordance with the maintenance plans and schedules adopted by the Association or in accordance with commonly accepted maintenance standards; and

c. for damage caused by the negligent maintenance of a Common Element that directly attributes to the need for repair.

6.2. 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.

A. Each Owner shall have the responsibility to:

i. promptly report to the Association or its agent any defect or need for repairs, for which the Association is responsible;

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

iii. each Owner shall have the responsibility to perform his or her maintenance responsibility in such manner so as not to unreasonably disturb or put at risk other persons in Units, other Units, or the Common Elements.

B. An Owner shall not be liable for injury or damage to person or property caused by or resulting from the Owner's maintenance of lack of maintenance of the Unit or any Limited Common Element appurtenant thereto except if the Owner has failed to exercise due care in performing the maintenance. Notwithstanding the foregoing, failure of an Owner to properly maintain components within his or her Unit specifically designated in the Rules by the Executive Board shall be deemed negligence and Owners shall be liable for injury or damage to person or property caused by or resulting from the Owner's failure to maintain such designated components. An Owner shall not be liable to any other Owner, or any Owner's occupant, Guest or family or the Association for any damage or injury caused in whole or in part by the Owner's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Owner's failure to discharge his or her responsibilities.

6.3. Limited Common Elements. Each Unit Owner shall be responsible for removing snow, leaves, and debris from all patios and decks that are Limited Common Elements appurtenant to such Owner's Unit and keeping such LCE in a clean condition. Exterior windows, doors and decks which are Limited Common Elements of a Unit will be maintained by the Owner unless maintenance is assumed by the Association as provided in §6.1.

6.4. Mount Royal Plaza Sidewalks, Drives and Parking Area. The Master Association is responsible for maintenance of the sidewalks, curb and gutter, parking spaces, driveways, landscaping and all other Common Areas included in the Project as provided in the Master Declaration.

6.5. Right of Access. Any person authorized by the Executive 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 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.

6.6. 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 Owner's Unit or to those Limited Common Elements for which such Unit Owner is responsible under § 6.3. The Association will be responsible for damage to Units that is caused by the Association intentionally, negligently, or by the Association's failure to maintain, repair, or make replacements to the Common Elements.

ARTICLE 7 **ASSESSMENTS**

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

the Governing Documents or because the Association has incurred an expense on behalf of the Owner under the Governing Documents.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Elements, abandonment of his or her Units, or any other means. The obligation to pay Assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of Assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

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

7.3. Budget. The Executive Board will adopt a budget with Assessments sufficient to pay all Common Expenses and adequate reserves on an annual basis before the commencement of each calendar year. Within ninety (90) days after adoption of any proposed budget, the Executive Board will mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners. If the proposed budget is not timely adopted, the periodic budget last prepared by the Executive Board will be effective until a revised budget for the next calendar year is adopted.

7.4. Working Capital Account. The Association or Declarant shall require each buyer of a Unit to make a non-refundable payment to the Association in an amount equal to three times the monthly installment of the Periodic Assessment for the Unit, which sum shall be and held without interest by the Association to meet unforeseen expenditures, acquire additional services or equipment for the Owners or as a maintenance reserve. A Working Capital Account contribution shall be collected and transferred to the Association at the time of closing of each sale or re-sale of a Unit and shall be maintained for the use and benefit of the Association. Such payment shall not relieve an Owner from making regular payments of assessments as the same become due. Upon the transfer of a Unit, an Owner shall not be entitled to a credit from the transferee for any unused portion of the Working Capital Account. Declarant may not use any of the Working Capital Account to defray any of its expenses, construction costs or to make up budget deficits.

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

7.6. Apportionment of Periodic Assessments. The share of liability for Common Expenses allocated to each Unit has been determined by dividing square feet in each Unit as shown on the Map by the total number square feet in all Units, and allocated according to the resulting percentage of Common Expense liability in Exhibit B, except for individual Purpose Assessments as provided in §7.9.

7.7. Supplementary Assessments. If the Executive Board determines, at any time or from time to time, that the amount of the annual assessments is not adequate to pay for the costs and expenses of fulfilling the Association's obligations hereunder, one or more supplementary assessments may be made for the purpose of providing the additional funds required. To determine the amount required to be raised by each supplementary assessment, the Executive Board shall revise the budget, a summary of which shall be furnished to each Owner and shall set a date for a meeting of the Owners to consider the

ratification of such budget. Upon request, the Executive Board will deliver a summary of the revised budget to any Mortgagee. Based on such revised budget, the Executive Board may make a supplementary assessment for such fiscal year against each Unit.

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

7.9. Individual Purpose Assessments. The Association shall have the right to add to any Owner's Assessment as provided in this Article the following:

A. Those amounts expended by the Association for the benefit of any individual Unit or any occupant thereof, including but not limited to: Unit insurance; improvement, repair, replacement and maintenance specific to a Unit, including but not limited to the improvement, repair, replacement and maintenance caused by the negligent or willful acts of any Owner or the Owner's Guests;

B. Any extraordinary maintenance, repair or restoration work on, or Common Expense benefitting fewer than all of the Units or Limited Common Elements shall be borne by the Owners of those affected Units only;

C. Any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of an Owner or the Owner's Guests;

D. Any Common Expense caused by the misconduct or negligence of any Owner or the Owner's Guests shall be assessed solely against such Owner's Unit and all fines and costs assessed against an Owner pursuant to the Governing Documents; and

E. Any Common Expense incurred or billed to the Association on a per Unit basis may be allocated to each Unit in accordance with such Unit cost and any other expenditures or charges which the Board, in its sole discretion, chooses to allocate to a Unit and are reasonably determined to be allocable to a particular Unit.

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

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

- A. Assess a late charge for each delinquency in such amount as the Association deems appropriate.
- B. Assess an interest charge from the date of delinquency at the yearly rate of four points above the prime rate charged by the Association's bank, or such other rate as the Executive Board may establish, not to exceed twenty-one percent (21%) per annum;
- C. Suspend the voting rights of the Owner or the right to use any Common Element during any period of delinquency;
- D. Accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable at once;
- E. Disconnect any utility services to the Unit which are paid as a Common Expense;
- F. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments; and
- G. File a statement of lien with respect to the Unit and proceed with foreclosure as set forth below.

Assessments chargeable to any Unit shall constitute a lien on such Unit, including any improvements on the Unit. To evidence the lien created under this Section, the Association may, but is not required to, prepare a written notice setting forth (i) the address of the Association, (ii) the amount of such unpaid indebtedness, (iii) the amount of accrued penalty on the indebtedness, (iv) the name of the Owner of the Unit, and (v) a description of the Unit. The notice shall be signed and acknowledged by the President or a Vice-President of the Association or by the Association's Managing Agent or attorney, and the Association shall serve the notice upon the Owner by mail to the address of the Unit or to such other address as the Association may have in its files for such Owner. The Association may record the same in the office of the Clerk and Recorder of Summit County, Colorado. Such lien for Assessments shall attach from the due date of the Assessment. The Association may institute foreclosure proceedings against the defaulting Owner's Unit in the manner for foreclosing a mortgage on real property under Colorado law. In the events of any such foreclosure, the Owner shall be liable for the amount of unpaid Assessments, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the notice of the claim and lien, and all reasonable attorney's fees incurred in connection with the enforcement of the lien. The Association shall have the power to bid on a Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

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

7.13. Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's perpetual lien for such for such Assessments, all

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

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

7.15. Notice to Mortgagee. The Association may report to any Mortgagee any unpaid Assessments remaining unpaid for longer than sixty (60) days after the same shall have become due, if such Mortgagee first shall have furnished to the Association written notice of the Mortgage and a request for notice of unpaid Assessments. Any Mortgagee holding a lien on a Unit may pay any unpaid Assessment payable with respect to such Unit, together with any and all costs and expenses incurred with respect to the lien, and upon such payment that Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as the lien of the Mortgage.

7.16. Statement of Status of Assessment Payment. The Association shall furnish to an Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a statement setting forth the amount of unpaid assessments currently levied against such Owner's Unit.

ARTICLE 8

PROPERTY RIGHTS OF OWNERS & RESERVATIONS BY DECLARANT

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

8.2. Recorded Easements. The Property shall be subject to all easements as shown on the Plat and to those easements set forth in this Article.

8.3. Easements for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Townhome, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Townhome encroaches or shall hereafter encroach upon the Common Elements, an easement for such encroachment and for the maintenance of the same shall exist. Encroachment easements specifically include the portion of any Townhome constructed on the Common Elements by Declarant and will also be granted upon settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any improvements. An easement for

encroachment of a Townhome on the Common Elements is for all purposes under this Declaration considered part of the Townhome.

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

8.5. General Maintenance Easement. An easement is hereby reserved to Declarant, and granted to the Association, and any Director or the Manager, and their respective officers, agents, employees, and assigns, upon, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Governing Documents, including the right to enter upon any Townhomes.

8.6. Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Common Elements, together with the right to store materials and equipment on the Property, and to make such other use of the Common Elements as may be reasonably necessary or incident to any construction on the Units or improvements on the Property. Permitted uses under this easement include but are not limited to Declarant's right to maintain construction trailers, dumpsters, temporary toilets, parking vehicles and pursuit of any other activities on the Common Elements to construct improvements on the Project. Provided, however, that no such rights shall be exercised by Declarant in a way which prohibits the occupancy, use, or access to the Project by the Owners.

8.7. Easement to Inspect and Right to Correct. Declarant reserves for itself and others it may designate the right to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Property including Townhomes, and a nonexclusive easement of access through the Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry into a Townhome shall be only after reasonable notice to the Owner with the consent of the Owner. The person exercising this easement shall promptly repair, at such person's own expense, any damage resulting from such exercise.

8.8. Right to Approve Additional Covenants. No person shall record any declaration of covenants, conditions and restrictions, or similar instrument affecting any portion of the Project without Declarant's review and written consent so long as Declarant owns any Lot. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed and recorded by Declarant.

8.9. Right to Approve Changes in Governing Documents. No amendment to or modification of any restrictions, rules or architectural guidelines shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns any Lot.

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

(a) Completion of Improvements. The right to complete Improvements and to use easements through the Common Elements for such Improvements.

(b) Sales Management and Marketing. The right to maintain sales offices and signs advertising the Project. The office and signs will be of sizes and styles determined by Declarant and may be relocated by Declarant from time to time. At all times, the offices and signs will remain the property of Declarant and may be removed from the Property by Declarant at any time.

(c) Declarant Control of Association. The right to exercise all powers of the Association and appoint and remove the officers of the Association.

(d) Termination. The Special Declarant Rights contained in this section shall terminate: (a) 60 days after conveyance to Owners of all the Units in the Community. A Declarant may voluntarily surrender the right to appoint and remove officers of the Association before termination of the Special Declarant Rights as described in this section 3.9.

8.11. Exclusive Rights to Use Name of Development. No Person shall use the name “Sky Haus,” “Sky Haus Brewery Building Condominiums,” or any derivative of such name or logo or depiction in any printed or promotional material without Declarant’s prior written consent. However, Owners may use the name “Sky Haus Brewery Building Condominiums” in printed or promotional mater where such term is used solely to specify that particular property located within the Community and the Association shall be entitled to use the name “Sky Haus Brewery Building Condominiums” and logo for any purposes which do not interfere with Declarant’s Special Declarant Rights.

ARTICLE 9 INITIAL PROTECTIVE COVENANTS

9.1. Plan of Development; Applicability; Effect. Declarant has established a general plan of development for the Property in order to protect the Owners’ collective interests and the aesthetics and environment within the Project. In furtherance of that general plan, the Governing Documents establish affirmative and negative Covenants, easements, and restrictions on the Property, subject to certain rights vested in the Executive Board and the Owners to enable them to respond to changes in circumstances, conditions, needs and desires within the Project.

9.2. Owners Acknowledgment. All Owners, tenants, guests and invitees of Units are given notice that use of their Unit is limited by provisions of each of the Governing Documents as they may be amended, expanded and otherwise modified from time to time. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by this provision and that all Covenants applicable to the Project may change from time to time.

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

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

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

C. Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations on Units of the kinds normally displayed in Units located in a residential project shall not be abridged, except that the Association may adopt reasonable time, place,

and manner restrictions for the purpose of minimizing damage or disturbance to other Owners and occupants.

D. Activities within Units. No rule shall interfere with the activities carried on within the confines of a Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise, odors or traffic, that create unsightly conditions visible outside the Units, that block the views from other Units, or that create an unreasonable source of annoyance.

E. Pets. The Rules may regulate, permit additional pets or prohibit the kind and number of such pets from time to time. However, no Rule may take retrospective effect so as to prohibit an Owner from keeping any domestic pet which was permitted under the Governing Documents when acquired.

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

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

9.4. Initial Use Restrictions. The following restrictions apply within the Project unless expressly authorized (and in such cases, subject to such conditions as may be imposed) by a resolution unanimously adopted by the Executive Board:

A. Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article 8, the following occupancy restrictions apply to all Units and to the Common Elements:

i. Units shall be used for purposes only as allowed by local zoning ordinances, the Master Declaration, Declaration and subject to Rules adopted by the Association and Master Association. . Units may be used for retail, commercial, restaurant, office and other purposes permitted by the town zoning ordinances.

ii. 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 that may permit the spread of fire, odors, seepage, or encouragement of vermin.

iii. All fixtures and equipment will be used for the purposes for which they were designed. The Association may restrict any material increase on the floor load 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. No electrical device creating overloading of standard circuits may be used without permission from the Executive Board. Misuse or abuse of appliances or fixtures within a Unit that 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.

iv. Subject to the public-policy-based permissions contained in C.R.S., § 38-33.3-106.5, 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.

B. Restrictions on Vehicles.

i. Parking or storing of vehicles within the Property shall be subject to Rules enacted by the Executive Board and provisions of this Declaration.

ii. No portion of the Common Elements shall be used for parking, storage, or display for any type of trailer, ATV, RV, motor home, boat or accessories thereto.

iii. No abandoned or inoperable vehicles of any kind shall be stored or parked on the Project. An “abandoned or inoperable vehicle” includes, but is not limited to any automobile, truck, motorcycle, van, recreational vehicle or other device for carrying passengers, goods or equipment which has not been driven under its own propulsion for a period of two weeks or longer.

iv. Unlicensed motor vehicles such as go-carts, mini-bikes, unlicensed motor bikes, motorized scooters, snowmobiles and all-terrain vehicles shall not be operated on the Common Elements.

v. Any vehicle parked on any portion of the Community in violation of these covenants or the Rules may be towed in conformance with the town ordinances at the expense of the owner of the vehicle, and the Association may pursue any other remedy under the Governing Documents.

C. Nuisances/Compliance with Law. No immoral, improper, offensive, or unlawful use may be made of the Property. Nuisances are prohibited, including any use, activity, or practice which is the source of disturbance to or unreasonably interferes with the peaceful enjoyment or possession of a Unit or any portion of the Common Elements or any portion of the Community. All valid laws, ordinances and regulations of all governmental bodies having jurisdiction over the Project or a portion thereof shall be observed and may be enforced by the Association as if the same were contained in the Governing Documents. In no event shall the activities of the Declarant which are reasonably necessary to the exercise of the rights granted by this Declaration and the Act be considered a “nuisance.”

D. Compliance with Laws. Subject to the rights of reasonable contest, each Owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Property. Further, no Owner shall dispose or allow any person under the Owner’s control or direction to release, discharge or emit from the Property or dispose of any material on the Property that is designated as hazardous or toxic under any federal, state or local law, ordinance or regulation.

E. Noise/Nuisance. No noxious, offensive, dangerous, or unsafe activity shall be conducted in any Unit, nor shall anything be done, either willfully or negligently, that 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, lights or odors. However, Owners and Guests acknowledge that the Units and LCE may be used for restaurant, entertainment and purposes and normal levels of noise and odors associated with such uses are permitted.

F. Decks and Patios. Lawn furniture and propane gas barbecue grills may be used and stored on decks or patios of Units. Charcoal grills are prohibited. Owners understand their use of the exterior Limited Common Elements can detrimentally affect other Owners. The Executive Board may adopt Rules governing appropriate use and appearance of the decks and patios.

G. Pets. Owners may keep a reasonable number of pets in Units as determined by the Board. Owners of pets on the Property must clean up after their pet and take all steps necessary to control excessive barking or other disturbances caused by their pets.

i. Containment. All pets must be kept primarily in a Unit and may temporarily be kept on the Limited Common Element deck when the Owner is present in the Unit. All pets must be kept on leashes when outside; no pets shall be permitted to run at large at any time.

ii. Pets of Guests/Nuisance. The Board may enact Rules to further restrict numbers or types of pets, pets of Guests and may remove pets creating any nuisance.

H. Signs. Unit signs are permitted in conformance with the town code and any sign plan approved by the Association. All signs must be approved by the Board. Signs to impact an election are permitted in conformance with the Act and Rules.

I. Trash and Recycling. The Association will have the exclusive right to engage trash and recycling services for the Community, which may be coordinated with the adjacent Association.

J. Insurance. Nothing shall be done or kept which may result in a material premium increase or cancellation of insurance maintained by the Association.

9.5. Restrictions on Ownership and Leasing of Units.

A. Lease and Fractional Restriction Rationale. Owners hold fee simple titles to their Units but share in use and governance of common elements. Community governance and maintenance of common elements is a shared responsibility. Each owner is vulnerable to diminution in the value and enjoyment of the Unit if:

- i. other Owners do not pay their assessments;
- ii. Owners transfer ownership or leasehold interests in any Unit so as to inhibit loan availability in the community; or
- iii. if Community occupants fail to abide by restrictions governing conduct and shared use of Common Elements.

The restrictions in this Section are intended to promote a cohesive community of Owners for their common welfare. The restrictions in this Section may be amended, supplemented or terminated only by amendment of this Declaration, and not by adoption of a Rule.

B. Leases. The term “lease” shall include any agreement for the use, lease or rental of a Unit. Owners may lease their Units for any length of term subject to the following conditions:

- i. All leases shall be in writing.
- ii. All leases shall provide that the terms of the lease and the tenant’s occupancy of the Units shall be subject in all respects to the provisions of the Governing Documents, as the same may be amended from time to time, and that any failure by such tenant to comply with the provisions of these instruments, in any respect, shall be a default under the lease, and the default may be enforceable by the Executive Board, the Owner/landlord, or both.

iii. In the event of the failure of the tenant to comply with the terms of this Declaration or any other Association Document, the Owner shall be responsible and liable to the Association as if the Owner was the party that failed to comply with the terms of Association Document, and at the request of the Association, the Owner shall, at the Owner’s sole cost and expense, terminate the Lease and commence eviction proceedings to evict the lessee from the Owner’s Unit.

iv. The Association may require any Owner who leases a Unit to forward a copy of the lease to the Association within ten (10) days after the execution by Owner and the tenant.

C. Joint and Several Liability. Each Co-Owner of a Unit will be jointly and severally liable for payment of all Association assessments to such Unit and for any other sums due by any other Co-Owner of such Unit under the Governing Documents.

D. Unit Management. All Co-Owners will execute an agreement to address ownership interest, management, maintenance, loans, default remedies and use. The Agreement will also specify termination and exit provisions for the Co-Owners, including sale of the Unit. The agreement will be subject to the reasonable approval of the Association. To cover additional maintenance costs for Common Elements by Units with Co-Owners and attorney's fees incurred by the Association to review the agreement a reasonable fee not to exceed the amount of the estimated quarterly assessment for the Unit will be charged to review and approve the co-ownership and management agreement. Any Unit Co-Ownership regime which inhibits or increases the cost of mortgage financing in the community may be rejected by the Executive Board.

ARTICLE 10 **EASEMENTS AND LICENSES**

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

10.2. Recorded Easements. The Property shall be subject to all easements as shown on the Map and to those easements set forth in this Article and the Master Declaration. The Community may be subject to other easements or licenses granted by the Declarant pursuant to Article 8 of this Declaration.

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

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

10.5. Easements for Encroachments. If any part of the Common Elements encroaches or shall hereafter encroach upon a Unit, the Association shall have an easement for such encroachment and for the maintenance of those Common Elements. If any part of a Unit encroaches or shall hereafter encroach upon the Common Elements or upon another Unit, the Owner of the encroaching Unit shall and does have an easement for such encroachment and for the maintenance of same. Such encroachments shall not be considered to be encumbrances either on the Common Elements or on a Unit. Encroachments include, but are not limited to, encroachments caused by error in the original construction of the Community, by error in the Map, by settling, rising, or shifting of the earth, or by changes in position caused by authorized repair or reconstruction, or movements of the Community or any part thereof. The easements for such encroachments shall continue for whatever period the encroachment exists. The

foregoing notwithstanding, however, nothing contained herein shall entitle the party benefited by such encroachment to maintain such encroachment in the event of reconstruction whereby the encroachment could reasonably be eliminated.

ARTICLE 11 **INSURANCE**

11.1. Authority to Purchase. The Association shall obtain and maintain in effect to the extent reasonably available the insurance set forth in this Declaration and the Act from financially responsible insurance companies authorized to do business in Colorado.

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

11.3. General Insurance Provisions. All such insurance coverage obtained by the Executive Board shall be governed by the following provisions.

A. The Association policies provide primary coverage if at the time of any loss there is other insurance obtained by a Unit Owner covering the same risk.

B. The deductible amount, if any, on any insurance policy purchased by the Executive Board may be treated as a Common Expense payable from Annual Assessments or Special Assessments, or as an item to be paid from working capital reserves established by the Executive Board; or alternatively, the Executive Board may treat the expense as an assessment against an Owner whose Unit is specifically affected by the damage or whose negligence or willful act resulted in damage.

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

11.4. Property Insurance on Improvements. The Association shall obtain and maintain in full force and effect property insurance on all Improvements, including the Units, the fixtures installed in a Unit and replacements thereof, and all insurable Common Elements improvements and personal property within the Project, in an amount equal to full replacement value (i.e., 100% of the current “replacement cost” exclusive of land, foundation, excavation, and other items normally excluded from coverage). Unless the Executive Board directs otherwise, property coverage of the Units excludes: all improvements and betterments by Owners to a Unit, the finished interior surfaces of the walls, floors and ceilings of Units, furnishings and all other personal property installed by Owners. Property insurance shall be obtained on a Causes of Loss-Special Form.

11.5. Provisions Common to Property Insurance.

A. In contracting for the property policy or policies of the Executive Board shall make reasonable efforts to secure coverage if the Board deems such coverage advisable, which provides the following:

i. All insurance shall run to the benefit of the Association, the Executive Board, officers, agents and employees of the Association, the Owners and their respective mortgagees, and all other persons entitled to occupy any Unit, as their interests may appear.

ii. The following endorsements (or equivalent): (a) “cost of demolition”; (b) “contingent liability from operation of building laws or codes”; (c) “increased cost of construction”; and (d) “agreed amount” or elimination of co-insurance clause.

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

B. The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the Community Improvements to be covered by the Association and the actual cash value of the personal property, and the cost of such appraisals shall be a Common Expense.

C. A duplicate original of the property insurance policy, all renewals thereof, and any sub policies or certificates and endorsements issued thereunder, together with proof of payment of premiums and any notice issued under § 11.5.A. (iv) above, shall be delivered by the insurer to the Association and upon request to any Owner or Mortgagee. The Mortgagee on any Unit shall be entitled to receive notice promptly of any event giving rise to a claim under such policy arising from damage to such Units.

11.6. Liability Insurance.

A. The Executive Board shall obtain and maintain in full force and effect general liability insurance with such limits as the Executive Board may from time to time determine, insuring the Association, each Director, the Managing Agent, and their respective employees and agents. The policy shall cover Declarant as a Unit Owner and Director. The liability policy will cover claims and liabilities arising out of or incident to the ownership existence, management, operations, maintenance or use of the Common Elements. The insurance shall cover claims of one or more insured parties against other insured parties.

B. The Executive Board shall review such limits once every two years, but in no event shall such insurance be less than \$1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence, or the amount required by any Agency such as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greater. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

11.7. Fidelity Insurance. To the extent obtainable at reasonable cost, the Association shall obtain fidelity insurance to protect against dishonest acts on the part of its officers, directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association. In addition, if responsibility for handling funds is delegated to a Managing Agent, fidelity coverage shall be required for the Managing Agent and its officers, employees, and agents, as applicable. Such fidelity coverage shall name the Association as an obligee and shall be written in an amount equal to at least 25% of the estimated annual operating expenses of the Association, plus reserves.

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

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

11.10. Other Insurance. The Executive Board may obtain insurance against such other risks of as it shall deem appropriate with respect to the Association's responsibilities and duties, such as flood insurance required by FEMA.

11.11. Provisions Common to Association Insurance. Any insurance coverage obtained by the Association under the provisions of this Article and the Act must provide:

A. The named insured under any such policies and the Association, as attorney-in-fact for the use and benefit of the Owners, or the authorized representative of the Association (including any trustee with whom the Association may enter into an insurance trust agreement, or any successor trustee, each of which is sometimes referred to in this Declaration as the "Insurance Trustee" and such Insurance Trustee will be recognized by an insurer providing insurance pursuant to this Article) who shall have exclusive authority to adjust and negotiate losses and receive payments under such policies, and the "loss payable" clause should designate the Association or the Insurance Trustee, if any, who will act as trustee for each Owner and each Mortgagee.

B. Each Owner shall be an insured person with respect to liability arising out of the Owner's membership in the Association.

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

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

E. The policies shall contain the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the Property is located, and provide that coverage may not be canceled nor may the insurer refuse to renew (including cancellation for non-payment of premium) without at least thirty (30) days' written notice to the Association, each Owner and any First Mortgagee listed as an insured in the policies; and

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

11.12. Insurance Obtained by Owners. Owners shall obtain and maintain a homeowner's insurance policy (HO-6 or equivalent) for such Owner's benefit and at such Owner's expense to cover any portion of a Unit not insured by the Association.

ARTICLE 12 **DAMAGE OR DESTRUCTION**

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

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

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

12.4. Funds for Repair and Reconstruction. Proceeds received by the Association from any hazard insurance carried by the Association shall be used to repair, replace and reconstruct the Association-Insured Property. If said proceeds are insufficient to pay the estimated or actual cost of such repair, replacement or reconstruction, or if upon completion of such work the insurance proceeds for the payment of such work are insufficient, the Association may, pursuant to that Article named Assessments, Section named Special Assessments, but subject to applicable law, levy, assess and collect in advance from the Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement or reconstruction.

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

12.6. Decision Not to Rebuild Common Elements. If at least sixty-seven percent (67%) of the Owners and all directly adversely affected Owners (as determined by the Act) agree in writing not to repair and reconstruct improvements within the Community and if no alternative improvements are authorized, then the damaged property shall be restored to a condition compatible with the remainder of the Community and maintained as a portion of the Common Elements by the Association. Any remaining insurance proceeds shall be distributed in accordance with applicable law.

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

ARTICLE 13 **SECURITY INTERESTS AND ELIGIBLE MORTGAGEES**

The following provisions are for the benefit of holders, insurers or guarantors of Eligible Mortgagees on Units.

13.1. Title Taken by Lenders. Any Person holding a Security Interest in a Unit who obtains title to the Unit pursuant to remedies exercised in enforcing the Security Interest, including foreclosure or acceptance of a deed in lieu of foreclosure, will be liable for all Assessments due and payable from the date title to the Unit is acquired.

13.2. Distribution of Insurance or Condemnation Proceeds. In the event of a distribution of insurance proceeds or condemnation awards allocable among the Units for losses to, or taking of, all or part of the Common Elements, neither the Owner nor any other person shall take priority in receiving the distribution over the right of any Eligible Mortgagee who is a beneficiary of a Security Interest against the Unit.

13.3. Right to Pay Taxes and Charges. Lenders who hold Security Interests against Units may, jointly or singly, pay taxes or charges which are in default and which may or have become a lien against any Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and holders of Security Interests making such payments shall be owed immediate reimbursement therefore from the Association.

13.4. Financial Statement. Upon written request from any Eligible Mortgagee, which has an interest or prospective interest in any Unit or the Project, the Association shall prepare and furnish within ninety days any financial statement of the Association for the immediately preceding fiscal year at the expense of such Mortgagee.

13.5. Notice of Action. Any Eligible Mortgagee and any Agency, which holds, insures or guarantees a first lien Security Interest, upon written request to the Association (which shall include the agency's name and address and the Unit number), will be entitled to timely written notice of:

A. Any proposed amendment of the Governing Documents effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interest in the Common Elements appurtenant to the Unit (excluding changes resulting from the submission of Expansion Area to the Declaration) or the liability of Assessments relating thereto, (iii) the number of votes in the Association relating to any Unit, or (iv) the purposes to which any Unit or the Common Elements are restricted or any amendment set forth in § 13.6 below;

B. Any proposed termination of the common interest community;

C. Any condemnation loss or any casualty loss which affects a material portion of the Project or which affects any Unit on which there is a first lien Security Interest held, insured or guaranteed by such Agency;

D. Any delinquency in the payment of Assessments owed by the Unit Owner subject to the Mortgage which such delinquency has continued for a period of sixty days;

E. Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Article 11.

ARTICLE 14 **DURATION OF COVENANTS AND AMENDMENT**

14.1. Covenants Binding. Each provision of this Declaration and a promise, covenant and undertaking to comply with each such provision (i) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in any of the Property is granted, devised or conveyed; (ii)

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

14.2. Amendment.

A. Except as otherwise specifically provided elsewhere in this Declaration, or in the Act, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners holding not less than sixty-seven percent (67%) of the votes possible to be cast under this Declaration. Any amendment must be executed by the president of the Association and recorded, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying that signatures of a sufficient number of Owners approving the amendment are on file in the office of the Association. In addition, the approval requirements set forth in Article 8 shall be met, if appropriate.

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

i. The Declarant hereby reserves and is granted the right and power to record technical amendments to this Declaration, the Articles of Incorporation and Bylaws of the Association, at any time for the purpose of correcting spelling, grammar, dates, typographical errors or as may otherwise be necessary to clarify the meaning of any provision of any of such documents without the consent of any of the Owners or First Mortgagees.

ii. The Declarant hereby reserves and is granted the right and power to record special amendments to the Declaration, the Articles and Bylaws of the Association at any time in order to comply with any requirement of any of the Agencies or to induce any of the Agencies to make, purchase, sell, insure or guarantee First Mortgages, to comply with the requirements and powers set forth in the Act, or to conform with any amendments, modifications, revisions or revocations of the Summit County Building Code, without the consent of the Owners or any First Mortgagees.

14.3. When Modifications Permitted. Notwithstanding the provisions of that Section named Amendment above or that Section named Revocation below, no termination, extension, modification, or amendment of this Declaration made prior to the termination of Declarant's control shall be effective unless the prior written approval of Declarant is first obtained.

14.4. Revocation. This Declaration shall not be revoked nor shall the Project be terminated, except as provided in that Article named Condemnation regarding total condemnation, without the consent of the Owners holding 67% of the votes in the Association and evidenced by a written instrument duly recorded.

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

ARTICLE 15 **DISPUTE RESOLUTION AND LIMITATION ON LITIGATION**

15.1. Agreement to Encourage Resolution of Disputes Without Litigation.

A. Declarant, the Association and its officers, directors, and committee members, Owners, all persons subject to this Declaration and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, “Bound Parties”), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Project without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees not to file suit in any court with respect to a Claim described in subsection B, unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth in § 15.2 in good faith effort to resolve such Claim.

B. As used in this Article, the term “Claim” shall refer to any claim, grievance, or dispute arising out of or relating to:

- i. the interpretation, application, or enforcement of the Governing Documents;
- ii. the rights, obligations and duties of any Bound Party under the Governing Documents; or
- iii. the design or construction of improvements within the Project, other than matters of aesthetic judgment under Article IV, which shall not be subject to review;
- iv. any claim asserted by the Association on its own behalf, or on behalf of the Owners of two or more Units, for damages or other relief arising out of any alleged defect in the design or construction of improvements within the Project at any time while this Declaration is in force (“Construction Defect Claims”).

C. The following shall not be considered “Claims” unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in § 15.2:

- i. any suit by the Association to collect assessments or other amounts due from any Owner;
- ii. any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the Court may deem necessary in order to maintain the status quo or to enforce the provisions of this Declaration upon determination that a violation exists;
- iii. any suit between Owners, which does not include Declarant or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;
- iv. any suit in which any indispensable party is not a Bound Party; and
- v. any suit as to which any applicable statute of limitations would expire within 180 days of giving the Notice required by § 15.2(a), unless the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article.

15.2. Dispute Resolution Procedures.

A. Notice. The Bound Party asserting a Claim (“Claimant”) against another Bound Party (“Respondent”) shall give written notice to each Respondent and to the Board stating plainly and concisely:

- i. the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;
- ii. the legal basis of the Claim (i.e. the specific authority out of which the Claim arises);
- iii. the Claimant's proposed resolution or remedy; and
- iv. the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.

B. Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

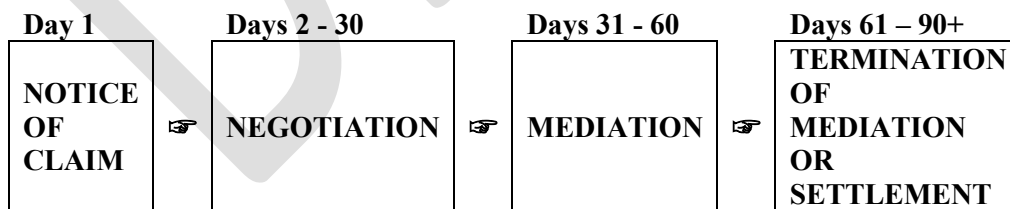
C. Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the notice described in § 15.2.A (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in Colorado.

i. If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such Claim.

ii. If the Parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated.

iii. Each Party shall bear its own costs of the mediation, including attorneys' fees and each Party shall share equally all fees charged by the mediator.

ALTERNATIVE DISPUTE RESOLUTION PROCESS



D. Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In that event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.

15.3. Initiation of Litigation by Association. In addition to compliance with the foregoing alternative dispute resolution procedure, if applicable, the Association shall not initiate any judicial or administrative proceeding unless first approved by Owners allocated 67% or more of the Votes in the Association, except that no such approval shall be required for actions or proceedings by the Association:

- A. initiated during the period of Declarant control;
- B. initiated to enforce the provisions of the Declaration, including collection of Assessments and foreclosure of liens;
- C. initiated to challenge ad valorem taxation or condemnation proceedings;
- D. initiated against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies; or
- E. to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it.

15.4. Compliance and Enforcement.

A. Every Owner and occupant of a Unit shall comply with the Governing Documents. The Board may impose sanctions for violation of the Governing Documents after notice and an opportunity for a hearing in accordance with the procedures set forth in the Bylaws. Such sanctions may include, without limitation:

- i. imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit. (In the event that any occupant, guest, or invitee of an Owner violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; provided however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);
- ii. suspending an Owner's right to vote;
- iii. suspending any services provided by the Association to an Owner or the Owner's Units if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;
- iv. exercising self-help or taking action to abate any violation of the Governing Documents in a non-emergency situation;
- v. requiring an Owner, at its own expense, to remove any structure or improvement in violation of the Governing Documents and to restore the Improvements to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;
- vi. without liability to any person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Architectural Guidelines from continuing or performing any further activities in the Project; and
- vii. levying Individual Purpose Assessments to cover costs incurred by the Association to bring a Unit into compliance with the Governing Documents.

B. In addition, the Board may take the following enforcement procedures to ensure compliance with the Governing Documents without the necessity of compliance with the alternative dispute resolution procedures set forth above:

- i. exercising self-help in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); or
- ii. bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

C. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Units and the Owner as a Default Assessment. Except in an emergency situation, the Association shall provide the owner reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

D. All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorney's fees and court costs, reasonably incurred in such action.

E. The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

- i. the Association's position is not strong enough to justify taking any or further action;
- ii. the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;
- iii. although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or
- iv. that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the Association's right to enforce such provision at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

F. The Association, by contract or other agreement, may enforce applicable county ordinances and permit the Town of Frisco to enforce ordinances within the Community for the benefit of the Association and its Members.

ARTICLE 16

MISCELLANEOUS PROVISIONS

16.1. Captions. The captions contained in the Governing 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.

16.2. 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.

16.3. 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.

16.4. 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.

16.5. 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.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this _____ day of _____, 20__.

Baseline Capital Investments, LLLP, a Colorado limited liability limited partnership

By: _____, Managing Partner

STATE OF COLORADO)
) ss.
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, as Managing Partner of Baseline Capital Investments, LLLP, a Colorado limited liability limited partnership

My Commission expires: _____
 [STAMP]

 Notary Public

EXHIBIT A DESCRIPTION OF PROPERTY

LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 13, FRISCO TOWN SUBDIVISION, COUNTY OF SUMMIT, STATE OF COLORADO.

EXHIBIT B ALLOCATED INTERESTS

Unit Number	Sq. Ft. Area	Common Element Liability & Votes
A	901	6.2%
B	835	5.8%
C	1785	12.3%
D	3272	22.5%
E	7685	53.1%
Totals	14,478	100.0%

Allocation of Interests.

A. Liability for the Common Expenses. The share of liability for Common Expenses allocated to each Unit has been determined by dividing square feet in each Unit as shown on the Map by the total number square feet in all Units, and in accordance with the Assessment percentages set forth in Exhibit B. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under other provisions of this Declaration in Sections 7.6 and 7.9.

B. Votes. Each Unit Owner shall have votes in the affairs of the Association the same as CE Liability.

**BYLAWS
OF
SKY HAUS BREWERY BUILDING OWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

The corporation's name is Sky Haus Brewery Building Owners Association (the "Association"), a Colorado nonprofit corporation, with an address of _____.
The Association may have other offices and may carry on its purposes at such other places within and outside the State of Colorado as the Board of Directors (the "Board") may from time to time determine.

**ARTICLE II
DEFINITIONS, PURPOSES AND ASSENT**

2.1 Definitions. "Declaration" means the Declaration for Sky Haus Brewery Building Condominiums recorded on _____, 2022 at Reception No. _____ in the Summit County records, and all subsequent amendments. Unless otherwise defined, the capitalized terms used in these Bylaws have the meanings given to them in the Declaration. The Colorado Revised Nonprofit Corporation Act (the "Nonprofit Act"), *C.R.S. § 7-121-101 et seq.* and the Colorado Common Interest Ownership Act ("CCIOA"), *C.R.S. § 38-33.3-101 et seq.*, also contain provisions which are referenced in these Bylaws.

2.2 Purposes. The specific purposes for which the Association is formed are (i) to provide for the operation, administration, use and maintenance of the Units and the Common Elements within the Project as provided in the Declaration; (ii) to preserve, protect and enhance the values and amenities of such property; and (iii) to promote the health, safety and welfare of the Owners and users of the Property.

2.3 Assent. All Owners, their Guests, and any other person occupying a Unit or using the Property's facilities in any manner are subject to the Governing Documents which include the Declaration, the Plat, the Articles, these Bylaws and any procedures, rules or policies that the Board of Directors adopts. The acquisition, rental or occupancy of any Unit within the Property will constitute ratification and acceptance of these Bylaws and an agreement to comply with all Governing Documents.

**ARTICLE III
MEMBERSHIP**

3.1 Membership. Every Person who is a record Unit Owner is a Member.

3.2 Voting Privileges. Each Member will each have a vote based on its allocated interest set for the Declaration for each Unit owned.

a. When more than one person holds an interest in any Unit, all such persons are Members. The votes for such Unit will be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners is present at a meeting in person or by proxy, the votes allocated to their Unit may be cast only in accordance with the agreement of a majority interest of the Owners present or by proxy. If a majority of such Unit Owners cannot agree, then they will not be entitled to vote. Any one of the Co-Owners may cast the votes allocated to that Unit unless any of the other Co-Owners protests promptly to the person presiding over the meeting.

b. Any Unit Owner that is leased may assign his voting right to the tenant, provided that the tenant is appointed to vote on the Owner's behalf by proxy and the proxy is furnished to the Secretary or designee prior to any meeting in which the tenant exercises the voting right.

c. A Member will only be in good standing and entitled to vote at any annual or special meeting if all Assessments levied against the Member's Unit are paid in full.

3.3 Responsibility of Members. Any Person that becomes an Owner will automatically become a Member and be subject to the Governing Documents. Such Membership terminates without any formal Association action whenever a person ceases to own a Unit, but termination will not relieve or release any former Owner from any liability or obligation incurred under the Governing Documents or in any way connected with the Association during the period of ownership, or impair any rights or remedies which the Board, or other Members, may have against such former Owner arising out of Unit ownership or Association membership and the covenants and obligations incident thereto.

ARTICLE IV ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

4.1 Place and Attendance at Meetings. Member meetings will be held at a place in Summit County, Colorado as the Board may determine. All Association meetings are open to every Owner and to any person designated by an Owner in writing as the Owner's representative.

4.2 Annual Meetings. An annual Member meeting shall be held on a date and at a time set by the Board. The annual meeting shall be held for the election of Directors and the transaction of such other business as may properly come before the meeting.

4.3 Special Meetings. Special Member meetings may be called at any time by the President of the Association, the Board of Directors, or upon written request of Members who are entitled to vote at least 50% of all votes in the Association.

4.4 Notice of Member Meetings. Not less than ten (10) nor more than fifty (50) days in advance of any Member meeting, the Secretary shall cause notice to be delivered to all Owners as provided in the Governing Documents or as provided by Colorado law. The notice of any meeting must be physically posted in a conspicuous place, if feasible, in addition to any electronic posting or electronic mail notices that may be given. The notice must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Governing Documents, any budget changes, and any proposal to remove an officer or Director. The Association will provide notice by electronic mail to all Members who furnish the Association with their electronic mail addresses.

4.5 Quorum. The presence at any Member meeting of Members entitled to cast, or of proxies entitled to cast, 51% of the total Membership votes constitutes a quorum for any action, except as otherwise provided in the Governing Documents. If, however, a quorum is not present or represented at any meeting, the Members entitled to vote will have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

4.6 Actions Binding on Members. A majority of votes cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Members, unless any statute or the Governing Documents expressly requires a different number or method of voting. As used in these Bylaws, the term "majority" will mean those votes or Members as the context may indicate totaling more than 50% of the total number.

4.7 Voting. Voting may be by voice, by show of hands, by consent, by electronic means, by directed proxy, by written ballot, or as otherwise determined by the Meeting Chair present at a meeting where a vote is to be taken. 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 Owner.

4.8 Voting by Written Ballot or Electronic Communication. The Board may decide that voting of the Members on any matter required or permitted by Colorado law, the Articles, or these Bylaws will be by e-mail, facsimile or other electronic communication. Pursuant to the Nonprofit Act, any action that may be taken at any annual, regular or special Member meeting may be taken without a meeting if the Secretary delivers a written ballot to every Member entitled to vote on the matter.

a. A written ballot will: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action. Written ballot approval is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

b. All solicitations for votes by written ballot will: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; (iii) specify the time by which a ballot must be received by the Board in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

c. A written ballot may not be revoked.

4.9 Informal Action by Members. Any action which may be taken by Member vote at a regular or special meeting may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all of the Members.

4.10 Proxies. Any Member may cast their vote in person or by proxy appointed in conformance with the C.R.S. § 7-127-203. No proxy will be valid if it is not dated, purports to be revocable without notice or if it is obtained through fraud or misrepresentation. Further, no proxy will be valid after eleven months from the stated date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended, or sooner terminated by operation of law. Finally, no proxy will be valid unless filed with the Secretary at or before the appointed time of the meeting at which the proxy will be voted.

4.11 Designation of Voting Representative by Non-Individual Owners-Requirement for Proxy. If title to a Unit is held in whole or in part by a firm, corporation, partnership, association, limited liability company or other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary, and appointing and authorizing one person or alternate persons who is a Member, shareholder or beneficiary of such entity to attend all regular or special Member meeting and to cast the vote allocated to that Unit at the meeting.

4.12 Waiver of Notice. Waiver of notice of a Member meeting will be deemed the equivalent of proper notice. Any Member who furnishes his e-mail address to the Association that the Association delivers notice to waives any notice by mailing or personal delivery. Any Member may waive, in writing, notice of any Member meeting, either before or after the meeting. A Member's attendance at a meeting, whether in person or by proxy, is Member's waiver of notice of the time, date and place of the meeting unless the Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special

meeting is also a waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting without proper notice, is raised before the business is put to a vote.

4.13 Teleconference. Any regular or special Member meeting may be conducted to permit a Member to attend and participate by teleconference or other electronic means by which all persons participating in the meeting can hear one another.

4.14 Order of Business. The Board may establish the order of business at all Board or Member meetings. The Meeting Chair may revise the agenda as necessary.

ARTICLE V **BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE**

5.1 Number, Qualification and Term. The Board will initially consist of one (1) Director appointed by Declarant during the Declarant Control Period. The Declarant Control Period terminates no later than the earlier of three years after the Declaration is recorded or 60 days after the Declarant has conveyed all of the Units. After the Declarant Control Period, the Board of Directors shall consist of three (3) Directors. The number of Directors may be established from time to time by amendment to these Bylaws. The term of office for each Director will be until a successor is appointed or until there is a decrease in the number of Directors.

5.2 Compensation. No Director will receive compensation for service as a Director. However, Directors may be reimbursed for actual, reasonable expenses incurred on behalf of the Association. The Association may compensate a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that such Director's interest is disclosed and approved by the disinterested Directors.

ARTICLE VI **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

6.1 General. The Board has all of the powers necessary to fulfill its duties to administer the Association's affairs, operate and maintain the Project, and as further specified in the Declaration or the Nonprofit Act. Except as the Governing Documents or applicable law provides, the Board may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on the Association's behalf.

6.2 Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 6.1 above, the Board has the following powers and duties, in each case subject to applicable requirements of the Governing Documents and law:

a. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Governing Documents.

b. To establish, make or amend reasonable rules, regulations and policies from time to time and enforce compliance with such reasonable rules, regulations and policies as may be necessary for the operation, use and occupancy of the Property, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered, mailed by U.S. mail, posted on the Association's website, or by e-mail to each Member promptly after adoption. The Board will review all rules, regulations and policies to ensure conformance with applicable law and the current needs of the Project at each annual meeting when officers are elected.

c. To keep in good order, condition and repair the Common Elements and items of personal property, if any, used in the enjoyment of the Common Elements. No Member approval is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

d. *To fix, determine, levy, and collect the prorated Periodic Assessments each Member will pay towards the gross expenses of the Project, and to adjust, decrease or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.*

e. To levy and collect Special Assessments whenever, in the opinion of the Board, it is necessary to do so as provided in the Declaration.

f. *To levy and collect Individual Purpose or Default Assessments because the Association has incurred an expense on behalf of a Member under the Governing Documents.*

g. To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner, and to exercise other remedies for delinquent Assessments as set forth in the Governing Documents.

h. To fix, determine, levy and collect the working capital funds each Member will pay towards the Association's working capital account, and to propose decreases or increases in the amount of working capital funds collected from each Member as provided in the Declaration.

i. *To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board may deem necessary and such indebtedness will be the several obligation of all Owners in the same proportions as they share Common Expenses.*

j. *To dedicate, sell or transfer all or any part of the Common Elements to any public, governmental or quasi-governmental agency, authority, or utility for such purpose and subject to the prior approval of Members holding 75% of the votes in the Association and such conditions as the Members may agree, and subject to such additional limitations as may be set forth in the Declaration.*

k. To enter into contracts within the scope of their duties and powers.

l. To establish bank accounts for the Association's operating account and reserve funds and adopt an investment policy for reserve funds as required or deemed advisable by the Board.

m. To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by Members or their Mortgagees during convenient weekday business hours.

n. To cause the driveways, parking areas, and sidewalks in and to the Property and across the Property to be maintained, repaired and replaced as necessary to the extent those facilities are within Association's jurisdiction or control, and subject to the Declaration.

o. To maintain and remove snow from any and all driveways and parking areas at the Property and to maintain and replace as necessary the landscaping, lawn, trees, shrubs, and other vegetation, and the sprinkler or other irrigation systems located on the Property for the Members' benefit.

p. To cause to be maintained the insurance coverage (including without limitation fidelity insurance, or in its place, a bond covering the Manager, the Board, the officers and any other persons charged with handling Association funds) as may be necessary to comply with the requirements of the Declaration, these Bylaws and applicable law.

q. In general, to carry on the administration of the Association and to do all those things necessary and responsible in order to carry out the communal aspects of ownership, all in accordance with the Declaration and applicable requirements of Colorado law.

r. To delegate to a Manager, or any other person or entity, such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than the Association, and to agree to assess to the Members a reasonable fee for such services.

s. To designate and remove personnel necessary for the operation, maintenance, repair and replacement of the Common Elements.

t. To prepare a budget before the close of each fiscal year of the Association and to deliver a summary of the budget to all Unit Owners and schedule a meeting for consideration of the budget by the Unit Owners.

6.3 Manager. The Board may designate a Director or employ a professional management agent or agents as Manager for compensation established by the Board, to perform such duties and services as authorized by the Board. The Board may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board by these Bylaws, other than the powers set forth in Section 6.2(d), (f), (i) or (j) above, and duties reserved to the Board by law. If the Board delegates powers relating to collection, deposit, transfer or disbursement of the Association funds to the Manager, then subparagraphs (a) through (e) below will apply.

a. Fidelity Insurance. The Association or the Manager will maintain fidelity insurance coverage or a bond providing the same type of insurance as described in the Declaration in an amount not less than the greater of (i) \$50,000, (ii) the amount of three month's current Assessments plus reserves, as calculated from the Association's current budget, on all Units, or (iii) such higher amount as the Board may require.

b. Maintain Association Accounts. The Manager will maintain all of the Association's funds and accounts separate from the funds and accounts of other associations managed by the Manager. The Manager will maintain all reserve accounts of the Association separate from operational accounts of the Association, each with appropriate access controls, and the bank where the accounts are located must send copies of monthly bank statements directly to the Association. Unless the Board gives express authorization, the Manager will not have authority to draw checks on, or transfer funds from, the Association's reserve account.

c. Accounting and Financial Information. Accounting, financial records, bank statement reconciliations and an audit or review will be prepared and presented as the Board requests.

d. Management Agreement. If a Manager is employed, the management agreement must be for a specified term (not to exceed three (3) years) and must contain specific termination provisions. Such termination provisions may not require the payment of any penalty for termination for cause or require advance notice of termination without cause in excess of ninety (90) days. The Association has the right to renegotiate or terminate the management agreement without cause.

e. Right of Entry. The Manager will have the right to enter each Unit in case of any emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time.

Such authorized persons will also have the right to enter each Unit to perform maintenance and repair work as prescribed by these Bylaws and the Declaration.

ARTICLE VII **BOARD MEETINGS**

7.1 Regular Meetings. Regular Board meetings will be held annually and at such time and place as a majority of the Board shall determine from time to time. Notice of Regular Board meetings shall be given to each Director, personally or by mail, telephone or electronically, at least three (3) days prior to the day of such meeting.

7.2 Special Meetings. Special Board meetings will be held when called by the President, or by any two (2) Directors, after not less than three (3) days' notice given to each Director, personally or by mail, telephone or electronically.

7.3 A quorum is deemed present throughout any Board meeting if persons entitled to cast a majority of the votes on the Board are present, in person or by proxy, at the beginning of the meeting. If at any Board meeting there is less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

7.4 Agendas and Attendance. All Members or their representatives may attend all regular and special Board or committee meetings. Agendas for Board meetings will be made reasonably available for examination by all Members or their representatives. Meeting notices and agendas will be sent by email to all Members upon request. Before the Board votes on any issue the Chairman will permit Members or their representatives to speak regarding the issue, subject to reasonable time limits. If more than one person desires to comment with opposing views, the Board will permit a reasonable number of persons to speak on each side of an issue.

7.5 Executive Sessions. The Board of Directors or any committee thereof may hold an executive or closed door session and may restrict attendance to Directors and such other persons the Board requests during a regular or specially announced meeting.

a. The matters to be discussed at such an executive session are as follows:

i. Matters pertaining to the Association's employees or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee;

ii. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

iii. Investigative proceedings concerning possible or actual criminal misconduct;

iv. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and

v. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

b. No amendment of the Articles, Bylaws or a rule or regulation may be adopted during an executive session. The minutes of all meetings at which an executive session was held will indicate that an executive session was held, and the general subject matter of the executive session.

7.6 Actions Binding on Directors. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present, in person or by proxy will be regarded as the act of the Board.

7.7 Waiver of Notice. Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any Board meeting, any Director may waive, in writing, notice of the meeting and the written waiver will be the equivalent to the giving notice. Neither the business to be transacted at, nor the purpose of, any regular or special Board meeting need be specified in the waiver of notice of the meeting.

7.8 Action Taken Without a Meeting. The Board will have the right to take any action it could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors or as provided in the Nonprofit Act, C.R.S. § 7-128-202. Any action so approved will have the same effect as though taken at a Board meeting.

7.9 Teleconference Meetings. Any regular or special Board meeting may be conducted by teleconference or other electronic means, followed by minutes of the meeting, which will be distributed to each Director.

ARTICLE VIII **OFFICERS AND THEIR DUTIES**

8.1 Enumeration of Officers. The Association's officers will be a President, a Vice-President, a Secretary and Treasurer, all of whom must be Directors, and such other officers as the Board may from time to time create by resolution. Following the Period of Declarant Control, all officers of the Association must be Owners of Units in the Project.

8.2 Election of Officers. The officers shall be elected by an affirmative vote of a majority of the Directors, which shall occur at the first Board meeting following each annual Member meeting.

8.3 Term. The Board will elect the officers of the Association annually and each officer will hold office for one year or until his successor is duly elected and qualified, unless he sooner resigns, or is removed, or is otherwise disqualified to serve.

8.4 Special Appointments. The Board may elect other officers, assistant officers, committees and agents as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

8.5 Resignation and Removal. The Board may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by majority vote of the Board. The appointed officer will serve for the remainder of the term of the officer replaced.

8.7 Multiple Offices. Any two or more offices may be held by the same person except the offices of President and Secretary.

8.8 Duties. The duties of the officers are as follows:

a. President. The President shall be the Association's principal executive officer and, subject to the control of the Board of Directors, shall supervise and control all of the Association's business and affairs. He shall preside at all Member and Board meetings; see that the Board's orders and resolutions are carried out; sign all leases, mortgages, deeds and other written instruments; co-sign all promissory notes; cause to be prepared and execute, certify and record Declaration amendments, execute all instruments of conveyance; and in general shall perform all duties incident to the office of President and as the Board may otherwise require.

b. Vice-President. The Vice-President will act in the place and stead of the President, in the event of his absence, inability or refusal to act, and shall perform the President's duties, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The President's absence shall be shown prima facie by the Secretary's attestation to any document signed by the Vice President. The Vice President shall perform such other duties as the President, or the Board, may assign from time to time.

c. Secretary. The Secretary will record the votes and keep the minutes of the Member and Board meetings and proceedings; serve notice of Member and Board meetings; keep appropriate current records listing the Members together with their registered addresses, Units owned, whether such Unit is mortgaged, the name and address of the Mortgagee; execute all instruments of conveyance; maintain the Association records; and perform such other duties as the Board may require.

d. Treasurer. The Treasurer is the Association's principal financial officer. The Treasurer will receive and deposit in the appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board; sign all the Association's checks unless the Board specifically directs otherwise, and co-sign all the Association's promissory notes; keep proper books of account; at the Board's direction, cause an the Association's books to be subject to an annual audit or review; prepare an annual budget and a statement of income and expenditures to be presented to the annual Member meeting, and deliver or make copies available to each of the Members; and perform such other duties as the Board may require. If the Board requires, the Treasurer shall give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

8.9 Delegation. The duties of any officer may be delegated to the Manager or another Director or designee, except that the President and Secretary must execute all conveyances and contracts for the Association.

ARTICLE IX **INDEMNIFICATION**

9.1 Definitions. For purposes of this Article, the following terms will have the meanings set forth below:

a. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

b. "Indemnified Party" means any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a Director or officer or, while a Director

or officer, is or was serving at the Association's request as a Director, committee member, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

9.2 Indemnification. The Association will indemnify, if indemnification is authorized by C.R.S. § 7-129-102, any Indemnified Party in any Proceeding. The Association will advance the expenses of the Indemnified Party as provided in C.R.S. § 7-129-104.

9.3 Insurance. By action of the Board, notwithstanding any interest of the Directors in such action, the Association may purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against or incurred by him or her in their capacity or arising out of their status as an Indemnified Party, whether or not the Association would have the power to indemnify them against such liability under applicable law.

9.4 Right to Impose Conditions to Indemnification. The Association will have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as the Board determines are appropriate in each specific case and circumstances including, without limitation, any one or more of the following:

a. In the event of a settlement, indemnification will be provided only in connection with such matters that the Association is given advice of counsel that the person to be indemnified has not been guilty of such actions or omissions in the performance of their duties;

b. That any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding will be counsel mutually agreeable to the person to be indemnified and to the Association;

c. That the Association will have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and

d. That the Association will be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's rights of recovery, and that the person to be indemnified will execute all writings and do everything necessary to assure the Association's rights of subrogation.

ARTICLE X **OBLIGATIONS OF THE OWNERS**

10.1 Community Quality of Life. All Owners are Members of the Association and will always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Project was built. Because neighbors rely on one another to maintain the quality of life and property values in the Project, each Member is more accountable to other Members than in other communities without shared Common Elements.

10.2 Maintenance and Repair. Subject to the Declaration:

a. Owners must perform promptly at their own expense all maintenance and repair work within the Owner's Unit if failure to do so would affect the Common Elements or other Units.

b. Owners are responsible for all expense of the repairs of internal installations of the Unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures within the Unit.

c. An Owner must reimburse the Association or another Owner promptly upon receipt of a statement for any expenditures the Association or another Owner incurs in repairing, replacing or restoring any Common Elements or any Unit damage caused by the Owner or their Guests, even if such act or omission was not negligent or resulting from failure to maintain a Unit.

10.3 Mechanic's Lien. Each Owner agrees to indemnify and to hold the Association and each of the other Owners harmless from any and all claims of mechanic's lien filed against other Units or the common elements for labor, materials, services or other products incorporated in the Owner's Unit or limited common elements. Within 30 days after a lien is filed the responsible Owner must either obtain a release of the lien or deposit cash or a bond to discharge the lien pursuant to Colorado law. Any amount owed by an Owner under the indemnity provided in this section may be assessed by the Association to the responsible Owner.

10.4 Proof of Ownership. Upon taking ownership of a Unit, an Owner must, upon the Association's request, furnish a copy of the recorded instrument vesting such Owner's ownership interest. The Association will maintain the instrument as an Association record.

10.5 Registration of Mailing Address. Within five (5) days after transfer of title each Owner must provide the Secretary or Manager with one registered mailing address or electronic address for delivery of monthly statements, notices, demands and all other communications. If no address is registered then the Owner's address on the deed will be used as the registered mailing address until the Owner(s) furnishes another registered mailing address pursuant to this section. A registered mailing address may be changed from time to time by similar designation.

ARTICLE XI **INSURANCE DEDUCTIBLES AND CLAIMS**

11.1 Insurance. The Association will maintain property insurance and liability insurance for the Property, including the Common Elements and the Units, as required under the Declaration. Each Owner will obtain a homeowner's policy (HO-6) which covers personal property such as furniture and furnishings within a Unit, liability and loss Assessments.

11.2 Deductible Amount. From time to time, the Board, in its reasonable discretion, may set, increase or decrease the amount of the deductibles for the Association's insurance policies.

11.3 Payment of Deductible by Responsible Owner. If the Association settles any insurance claim, the Board, may assess any negligent Owners causing the loss, or Owners benefitting from the repair or restoration all deductibles paid by the Association. If there is more than one Unit damaged by a loss, the Board in its reasonable discretion may assess each Unit Owner a pro rata share of any deductible paid. All determinations by the Board will be made in a nondiscriminatory manner.

11.4 Deductible as Common Expense. If the Board determines in its reasonable discretion that good cause exists to not assess all or part of any deductible as permitted in Section 11.3, the deductible paid by the Association will be a Common Expense.

11.5 Claims Against Association Policy

a. **Notice of Claim.** Any Owner who may have a claim covered by an Association insurance policy shall promptly notify the Board in writing upon discovery of the claim. The Association will have a reasonable time to investigate the Owner's claim and may file such claim on the Owner's behalf. If the Board does not file a claim or elect to repair the damage as provided in subparagraph b below, it will notify the Owner within fifteen (15) days of receiving the Owner's written notice, and the Owner may file a claim against the Association's policy.

b. Association Payment of Claim. The Board in its reasonable discretion may choose not to submit any claim to the Association's insurance carrier, including an Owner's claim, provided that the Association causes the loss to be repaired or adjusted to the extent such claim would have been paid had the claim been so submitted. In such event, the Board may assess the applicable deductible as provided in this Article.

ARTICLE XII NONPROFIT CORPORATION

This Association is not organized for profit. No Member, Director, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the Association's operations, and in no event will any part of the Association's funds or assets be paid as a dividend or be distributed to, or inure to the benefit of any Director. Notwithstanding the foregoing, (a) reasonable compensation may be paid to any Member or Director acting as the Association's agent or employee for services rendered in effecting one or more of the Association's purposes; (b) any Member or Director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the Association's affairs, and (c) any Director may be reimbursed for actual and reasonable expenses incurred in the performance of his duties.

ARTICLE XIII AMENDMENTS

13.1 Amendment by the Board. The Board may amend these Bylaws by a vote of not less than three (3) of the Directors at any regular or special Board meeting at which quorum is present. A statement of any proposed amendment will accompany the notice of any regular or special Board meeting at which such proposed amendment will be voted upon.

13.2 Amendment by the Members. These Bylaws may be amended by vote of the Members holding three (3) of the votes of the Association. Amendments may be proposed by the Board or by petition signed by any Member of the Association. A statement of any proposed amendment will accompany the notice of any regular or special meeting at which such proposed amendment will be voted upon.

13.3 Scope of Amendments. These Bylaws may not be amended in a manner inconsistent with the Articles, the Declaration, or Colorado law.

ARTICLE XIV MISCELLANEOUS

14.1 Fiscal Year. The Association's fiscal year will be a calendar year, which shall be subject to change by the Board as necessary.

14.2 Conflicts of Documents. In the case of any conflict between the Articles and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

14.3 Numbers and Genders. Whenever used herein, unless the context otherwise provides, the singular numbers include the plural, the plural the singular, and the use of any gender includes all genders.

CERTIFICATE

The undersigned President and Secretary of the Association do hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors and that they constitute the Bylaws of this Association.

SKY HAUS BREWERY BUILDING OWNERS ASSOCIATION

_____ Date

By: _____
Its: President

_____ Date

Attest: _____
Its: Secretary

**ARTICLES OF INCORPORATION
OF
SKY HAUS BREWERY BUILDING CONDOMINIUMS**

The undersigned hereby establishes a nonprofit corporation pursuant to the Colorado Revised Nonprofit Corporation Act, *C.R.S. § 7-123-101 et seq.*, as amended (the “Nonprofit Act”) and adopts the following Articles of Incorporation of Sky Haus Brewery Building Condominiums (the “Articles”).

**ARTICLE I
NAME**

The name of this corporation is Sky Haus Brewery Building Condominiums (the “Association”).

**ARTICLE II
INITIAL REGISTERED OFFICE AND AGENT**

The Association’s initial registered office and mailing address is 620 Main Street, Suite 7, P.O. Box 280, Frisco, Colorado 80443-0280. The initial registered agent is Richmond Summit Law, LLC.

**ARTICLE III
PURPOSES OF THE ASSOCIATION**

3.1 Purposes. The purposes and objectives for which the Association is formed are as follows:

a. To promote, undertake and advance all lawful activities and objectives for the general benefit, well-being, advancement, improvement and enjoyment of the Association and the Members;

b. To be and constitute the Association to which reference is made in the Declaration for Sky Haus Brewery Building Condominiums (“Declaration”), to be recorded in the records of the Summit County, Colorado Clerk and Recorder, and to perform all of the Association’s obligations and duties and to exercise all rights and powers of the Association. The capitalized terms used in these Articles have the meanings given to them in the Declaration. In the event of any conflict between the Declaration and these Articles, the Declaration will control.

c. To provide an entity for the furtherance of the Property Owners’ interests.

3.2 Powers. Subject to any specific limitation imposed by these Articles, the Association shall have the following powers:

a. All powers conferred upon nonprofit corporations by the laws of the State of Colorado in effect from time to time, including without limitation the Nonprofit Act.

b. All powers conferred upon owners' associations pursuant to the Colorado Common Interest Ownership Act ("CCIOA"), C.R.S. § 38-33.3-302.

c. All of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration (terms which are defined in the Declaration will have the same meanings herein unless otherwise defined herein), including, without limitation, the following powers:

i. To make and collect Assessments against Owners for the purpose of paying the Association's costs, expenses or losses, resulting from exercising its powers or performing its functions;

ii. To manage, control, operate, maintain, repair and improve the Common Elements, if any;

iii. To enforce covenants, restrictions and conditions affecting the Property to the extent the Association may be authorized under any such covenants, restrictions or conditions and to make and enforce rules and regulations for use of the Property;

iv. To engage in activities that foster, promote and advance the Owners' interests;

v. To buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any Association purpose, subject to the Declaration and Bylaws;

vi. To borrow money and secure the repayment of monies borrowed for any Association purpose, subject to any limitation provided in the Bylaws or in the Declaration;

vii. To enter into, make, perform or enforce any contract, including, without limitation, a management services contract, and to do all other acts necessary, appropriate or advisable in carrying out any Association purpose, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

viii. To adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the Association's affairs, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles or the Declaration. In the event of any conflict between the Declaration and the Bylaws, the Declaration will control.

The foregoing enumeration of powers will not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in this Article III are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article III, except for those limitations set forth in paragraph 3.3 below.

3.3 Restrictions Upon Purposes and Powers. The Association's purposes are subject to the following limitations:

a. The Association will be organized and operated exclusively for nonprofit purposes as set forth in the Internal Revenue Code of 1986, as amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

b. No part of the Association's net earnings will inure to the benefit of any Member (except that reasonable compensation may be paid for services rendered to or for the Association and affecting one or more of its purposes and objectives, and reimbursement may be made for any expenses incurred for the Association by any officer, Director, Member, agent, or employee, or any person or corporation, pursuant to and upon authorization of the Executive Board).

ARTICLE IV **MEMBERSHIP**

4.1. Qualifications. The Association shall be a membership corporation without certificates or shares of stock. The rights and obligations of membership are set forth in the Declaration and Bylaws. Membership shall terminate automatically without any Association action whenever such entity or individual ceases to own a Unit. Membership termination shall not relieve or release any former Member from any liability or obligation incurred by virtue of, or in any way connected with, Unit ownership, or impair any rights or remedies which the Association or others may have against such former Member arising out of, or in any way connected with, such membership.

4.2 Suspension of Voting Rights. The Association may suspend a Member's voting rights for failure to pay any Assessments or for failure to otherwise comply with the covenants, conditions, restrictions, rules and regulations, or any other Member obligations set forth in the Association Documents, or agreement created pursuant thereto.

4.3 Bylaws. The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the Members.

ARTICLE V **BOARD OF DIRECTORS**

The Association's business and affairs shall be conducted, managed and controlled by a Board of Directors or Board.

5.1 Number, Manner of Election. The Board shall consist of the specified number of Directors to be set forth from time to time in the Bylaws. The terms of office of Directors and the manner of their selection or election will be determined according to the Bylaws from time to time in effect. Directors may be removed and vacancies on the Board will be filled as provided in the Bylaws.

5.2 Initial Board. The initial Board shall consist of one Director, and the name and address of the initial Director who shall serve during the Declarant Control Period or until his respective successor is duly elected and qualified, is as follows:

John Poovey, 2412 Patterson Road, Grand Junction CO, 81505

The Declarant shall be entitled to appoint and remove Directors and officers as provided in the Declaration. The Declarant's right to appoint and remove Directors shall terminate on the earlier of those two events set forth in the Declaration: the date terminating Declarant Control Period; or the date on which the Declarant voluntarily relinquishes its rights, evidenced by a notice recorded in the office of the Clerk and Recorder for Summit County, Colorado.

After termination of the Declarant's rights as set forth above, the Declarant and any designated Successor Declarant will be entitled to vote as a Member for each Unit owned.

ARTICLE VI **OFFICERS**

The Board may appoint a President, Vice-President, Secretary, Treasurer and such other officers as the Executive Board, in accordance with the Bylaws, believes will be in the Association's best interests. The officers shall have such duties as may be prescribed in the Bylaws.

ARTICLE VII **LIMITATION OF LIABILITY AND INDEMNITY**

To the fullest extent permitted by the Nonprofit Act, a Director shall not be liable to the Association or its Members for monetary damages for breach of fiduciary duty as a Director. This provision shall not eliminate or limit a Director's personal liability to the Association or its Members for monetary damages for: (i) any breach of the Director's duty of loyalty to the Association or its Members; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or (iii) any transaction from which the Director directly or indirectly derives an improper personal benefit. The Association shall have the right to indemnify any person acting in an official capacity for the Association to the fullest extent allowed by Colorado law, except as limited by the Bylaws from time to time in effect.

ARTICLE VIII **AMENDMENTS**

The Association reserves the right to amend, alter, or change any provision contained in these Articles by a vote of at least sixty-seven percent (67%) of the votes in the Association present at any regular or special Member meeting at which a quorum is present, provided, however, that no amendment to these Articles shall be contrary to or inconsistent with the provisions of the Declaration.

ARTICLE IX
DISSOLUTION

The Association will not pay dividends. No distribution of the corporate assets to Owners will be made until all corporate debts are paid, and then only upon the affirmative vote of at least sixty-seven percent (67%) of the Owners of a termination agreement as provided in CCIOA, C.R.S. §38-33.3-218. Upon such dissolution and distribution, the assets remaining after payment of all debts will be distributed among the Owners as set forth in CCIOA.

ARTICLE X
INCORPORATOR

The name and address of the incorporator of the Association is: Mark Richmond, 620 Main Street, Suite 7, P.O. Box 280, Frisco, Colorado 80443-0280.

ARTICLE XI
INDIVIDUAL FILING ARTICLES

The name of the individual and mailing address of the individual causing this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, is: Mark Richmond, 620 Main Street, Suite 7, P.O. Box 280, Frisco, Colorado 80443-0280.



**Land Title Guarantee Company of Summit County
Customer Distribution**



PREVENT FRAUD - Please remember to call a member of our closing team when initiating a wire transfer or providing wiring instructions.

Order Number: **MRG20208636.1**

Date: **11/17/2022**

Property Address: **720 MAIN STREET, FRISCO, CO 80443**

PLEASE CONTACT YOUR CLOSER OR CLOSER'S ASSISTANT FOR WIRE TRANSFER INSTRUCTIONS

For Closing Assistance

Nikki Parker
256 DILLON RIDGE RD #B14
DILLON, CO 80435
PO BOX 4288
(970) 455-1349 (Work)
(877) 348-5405 (Work Fax)
nparker@ltgc.com
Contact License: CO274640
Company License: CO45933

Closer's Assistant

Karen Willis
256 DILLON RIDGE RD #B14
DILLON, CO 80435
PO BOX 4288
(970) 455-1351 (Work)
(877) 348-5405 (Work Fax)
kwillis@ltgc.com
Company License: CO45933

For Title Assistance

Randy Gibbons
200 NORTH RIDGE
BRECKENRIDGE, CO 80424
PO BOX 2280
(970) 423-0265 (Work)
(877) 408-7385 (Work Fax)
rgibbons@ltgc.com

Seller/Owner

BASELINE CAPITAL INVESTMENT, LLLP
891 14TH ST, #1514
Denver, CO 80202
(702) 378-5627 (Cell)
MDZ@SixthDegree.com
Delivered via: Electronic Mail

Attorney for Seller

RICHMOND SUMMIT LAW, LLC
Attention: MARK RICHMOND
PO BOX 280
620 MAIN STREET #7
FRISCO, CO 80443
(970) 668-0176 (Work)
(970) 668-3757 (Work Fax)
markr@richmondsummitlaw.com
brianr@richmondsummitlaw.com
Delivered via: Electronic Mail



Land Title Guarantee Company of Summit County
Estimate of Title Fees

Order Number: **MRG20208636.1**

Date: **11/17/2022**

Property Address: **720 MAIN STREET, FRISCO, CO 80443**

Parties:

BASELINE CAPITAL INVESTEMENT, LLLP A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP

Visit Land Title's Website at www.ltgc.com for directions to any of our offices.

Estimate of Title insurance Fees	
"TBD" Commitment	\$0.00
	Total \$0.00
If Land Title Guarantee Company will be closing this transaction, the fees listed above will be collected at closing.	
Thank you for your order!	

Note: The documents linked in this commitment should be reviewed carefully. These documents, such as covenants conditions and restrictions, may affect the title, ownership and use of the property. You may wish to engage legal assistance in order to fully understand and be aware of the implications of the effect of these documents on your property.

Chain of Title Documents:

[Summit county recorded 08/30/2022 under reception no. 1295928](#)

[Summit county recorded 08/30/2022 under reception no. 1295927](#)

[Summit county recorded 03/05/1996 under reception no. 510377](#)

[Summit county recorded 06/01/1994 under reception no. 469113](#)

Plat Map(s):

[Summit county recorded 02/05/1899 under reception no. 16089](#)

ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule A

Order Number: MRG20208636.1

Property Address:

720 MAIN STREET, FRISCO, CO 80443

1. Effective Date:

11/09/2022 at 5:00 P.M.

2. Policy to be Issued and Proposed Insured:

"TBD" Commitment
Proposed Insured:

\$0.00

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:

A FEE SIMPLE

4. Title to the estate or interest covered herein is at the effective date hereof vested in:

BASELINE CAPITAL INVESTEMENT, LLLP A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP

5. The Land referred to in this Commitment is described as follows:

LOTS 1, 2, 3, 4, 5 AND 6, BLOCK 13, FRISCO TOWN SUBDIVISION, COUNTY OF SUMMIT, STATE OF COLORADO.

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ALTA COMMITMENT

Old Republic National Title Insurance Company

Schedule B, Part I

(Requirements)

Order Number: MRG20208636.1

All of the following Requirements must be met:

This proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

Pay the agreed amount for the estate or interest to be insured.

Pay the premiums, fees, and charges for the Policy to the Company.

Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

THIS COMMITMENT IS FOR INFORMATION ONLY, AND NO POLICY WILL BE ISSUED PURSUANT HERETO.

ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule B, Part II
(Exceptions)

Order Number: MRG20208636.1

This commitment does not republish any covenants, condition, restriction, or limitation contained in any document referred to in this commitment to the extent that the specific covenant, conditions, restriction, or limitation violates state or federal law based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, or national origin.

- 1. Any facts, rights, interests, or claims thereof, not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.**
- 2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.**
- 3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.**
- 4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.**
- 5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date of the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.**
- 6. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.**
- 7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.**
- 8. RIGHT OF THE PROPRIETOR OF A VEIN OR LODGE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AND A RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES, AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 11, 1892 IN BOOK 62 AT PAGE [562](#) AND RE-RECORDED APRIL 25, 1975 IN BOOK 264 AT PAGE [727](#) UNDER RECEPTION NO. [148106](#).**
- 9. EASEMENTS, NOTES AND DEDICATIONS AS SHOWN ON PLAT FOR TOWN OF FRISCO RECORDED FEBRUARY 5, 1899 UNDER RECEPTION NO. [16089](#).**
- 10. RESTRICTIVE COVENANTS, WHICH DO NOT CONTAIN A FORFEITURE OR REVERTER CLAUSE, BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS CONTAINED IN INSTRUMENT RECORDED JUNE 01, 1994, UNDER RECEPTION NO. [469115](#) AND AMENDMENT RECORDED JUNE 11, 1996 UNDER RECEPTION NO. [516962](#) AND AMENDMENT RECORDED NOVEMBER 1, 1999 UNDER RECEPTION NO. [609291](#) AND AMENDMENT RECORDED OCTOBER 13, 2000 UNDER RECEPTION NO. [635383](#).**

ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule B, Part II
(Exceptions)

Order Number: MRG20208636.1

11. ALL MATTERS AS DISCLOSED ON ALTA LAND SURVEY FOR LOTS 1-24, BLOCK 13, TOWN OF FRISCO RECORDED JUNE 1, 1994 UNDER RECEPTION NO. [469172](#).
12. TERMS, CONDITIONS AND PROVISIONS OF EASEMENT RECORDED APRIL 04, 1995 UNDER RECEPTION NO. [489263](#) AND AMENDMENT RECORDED NOVEMBER 25, 2013 UNDER RECEPTION NO. [1042893](#).
13. TERMS, CONDITIONS AND PROVISIONS OF EASEMENT RECORDED NOVEMBER 22, 1995 UNDER RECEPTION NO. [503857](#).
14. TERMS, CONDITIONS AND PROVISIONS OF WARRANTY DEED RECORDED DECEMBER 23, 2019 UNDER RECEPTION NO. [1216544](#).
15. DEED OF TRUST DATED AUGUST 24, 2022 FROM BASELINE CAPITAL INVESTMENTS, LLLP, A COLORADO LIMITED LIABILITY LIMITED PARTNERSHIP TO THE PUBLIC TRUSTEE OF SUMMIT COUNTY FOR THE USE OF TIMBERLINE BANK TO SECURE THE SUM OF \$4,200,000.00 RECORDED AUGUST 30, 2022 UNDER RECEPTION NO. [1295929](#).
SAID DEED OF TRUST WAS FURTHER SECURED IN ASSIGNMENT OF RENTS RECORDED AUGUST 30, 2022, UNDER RECEPTION NO. [1295930](#).



LAND TITLE GUARANTEE COMPANY DISCLOSURE STATEMENTS

Note: Pursuant to CRS 10-11-122, notice is hereby given that:

- (A) The Subject real property may be located in a special taxing district.
- (B) A certificate of taxes due listing each taxing jurisdiction will be obtained from the county treasurer of the county in which the real property is located or that county treasurer's authorized agent unless the proposed insured provides written instructions to the contrary. (for an Owner's Policy of Title Insurance pertaining to a sale of residential real property).
- (C) The information regarding special districts and the boundaries of such districts may be obtained from the Board of County Commissioners, the County Clerk and Recorder, or the County Assessor.

Note: Effective September 1, 1997, CRS 30-10-406 requires that all documents received for recording or filing in the clerk and recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one half of an inch. The clerk and recorder may refuse to record or file any document that does not conform, except that, the requirement for the top margin shall not apply to documents using forms on which space is provided for recording or filing information at the top margin of the document.

Note: Colorado Division of Insurance Regulations 8-1-2 requires that "Every title entity shall be responsible for all matters which appear of record prior to the time of recording whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed". Provided that Land Title Guarantee Company conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception number 5 will not appear on the Owner's Title Policy and the Lenders Policy when issued.

Note: Affirmative mechanic's lien protection for the Owner may be available (typically by deletion of Exception no. 4 of Schedule B, Section 2 of the Commitment from the Owner's Policy to be issued) upon compliance with the following conditions:

- (A) The land described in Schedule A of this commitment must be a single family residence which includes a condominium or townhouse unit.
- (B) No labor or materials have been furnished by mechanics or material-men for purposes of construction on the land described in Schedule A of this Commitment within the past 6 months.
- (C) The Company must receive an appropriate affidavit indemnifying the Company against un-filed mechanic's and material-men's liens.
- (D) The Company must receive payment of the appropriate premium.
- (E) If there has been construction, improvements or major repairs undertaken on the property to be purchased within six months prior to the Date of Commitment, the requirements to obtain coverage for unrecorded liens will include: disclosure of certain construction information; financial information as to the seller, the builder and or the contractor; payment of the appropriate premium fully executed Indemnity Agreements satisfactory to the company, and, any additional requirements as may be necessary after an examination of the aforesaid information by the Company.

No coverage will be given under any circumstances for labor or material for which the insured has contracted for or agreed to pay.

Note: Pursuant to CRS 10-11-123, notice is hereby given:

This notice applies to owner's policy commitments disclosing that a mineral estate has been severed from the surface estate, in Schedule B-2.

- (A) That there is recorded evidence that a mineral estate has been severed, leased, or otherwise conveyed from the surface estate and that there is substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
- (B) That such mineral estate may include the right to enter and use the property without the surface owner's permission.

Note: Pursuant to CRS 10-1-128(6)(a), It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Note: Pursuant to Colorado Division of Insurance Regulations 8-1-3, notice is hereby given of the availability of a closing protection letter for the lender, purchaser, lessee or seller in connection with this transaction.

Note: Pursuant to CRS 10-1-11(4)(a)(1), Colorado notaries may remotely notarize real estate deeds and other documents using real-time audio-video communication technology. You may choose not to use remote notarization for any document.



**JOINT NOTICE OF PRIVACY POLICY OF
LAND TITLE GUARANTEE COMPANY,
LAND TITLE GUARANTEE COMPANY OF SUMMIT COUNTY
LAND TITLE INSURANCE CORPORATION AND
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY**

This Statement is provided to you as a customer of Land Title Guarantee Company as agent for Land Title Insurance Corporation and Old Republic National Title Insurance Company.

We want you to know that we recognize and respect your privacy expectations and the requirements of federal and state privacy laws. Information security is one of our highest priorities. We recognize that maintaining your trust and confidence is the bedrock of our business. We maintain and regularly review internal and external safeguards against unauthorized access to your non-public personal information ("Personal Information").

In the course of our business, we may collect Personal Information about you from:

- applications or other forms we receive from you, including communications sent through TMX, our web-based transaction management system;
 - your transactions with, or from the services being performed by us, our affiliates, or others;
 - a consumer reporting agency, if such information is provided to us in connection with your transaction;
- and
- The public records maintained by governmental entities that we obtain either directly from those entities, or from our affiliates and non-affiliates.

Our policies regarding the protection of the confidentiality and security of your Personal Information are as follows:

- We restrict access to all Personal Information about you to those employees who need to know that information in order to provide products and services to you.
- We may share your Personal Information with affiliated contractors or service providers who provide services in the course of our business, but only to the extent necessary for these providers to perform their services and to provide these services to you as may be required by your transaction.
- We maintain physical, electronic and procedural safeguards that comply with federal standards to protect your Personal Information from unauthorized access or intrusion.
- Employees who violate our strict policies and procedures regarding privacy are subject to disciplinary action.
- We regularly assess security standards and procedures to protect against unauthorized access to Personal Information.

WE DO NOT DISCLOSE ANY PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT STATED ABOVE OR PERMITTED BY LAW.

Consistent with applicable privacy laws, there are some situations in which Personal Information may be disclosed. We may disclose your Personal Information when you direct or give us permission; when we are required by law to do so, for example, if we are served a subpoena; or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

Our policy regarding dispute resolution is as follows: Any controversy or claim arising out of or relating to our privacy policy, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.



Commitment For Title Insurance

Issued by Old Republic National Title Insurance Company

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON. .

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, Old Republic National Title Insurance Company, a Minnesota corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured. If all of the Schedule B, Part I—Requirements have not been met within 6 months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements; and
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - i. comply with the Schedule B, Part I—Requirements;
 - ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - iii. acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.

- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

IN WITNESS WHEREOF, Land Title Insurance Corporation has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A to be valid when countersigned by a validating officer or other authorized signatory.

Issued by:
Land Title Guarantee Company
200 N Ridge, P.O. Box 2280
Breckenridge, CO 80424
970-453-2255



President



OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

By  President
Attest  Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Old Republic National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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