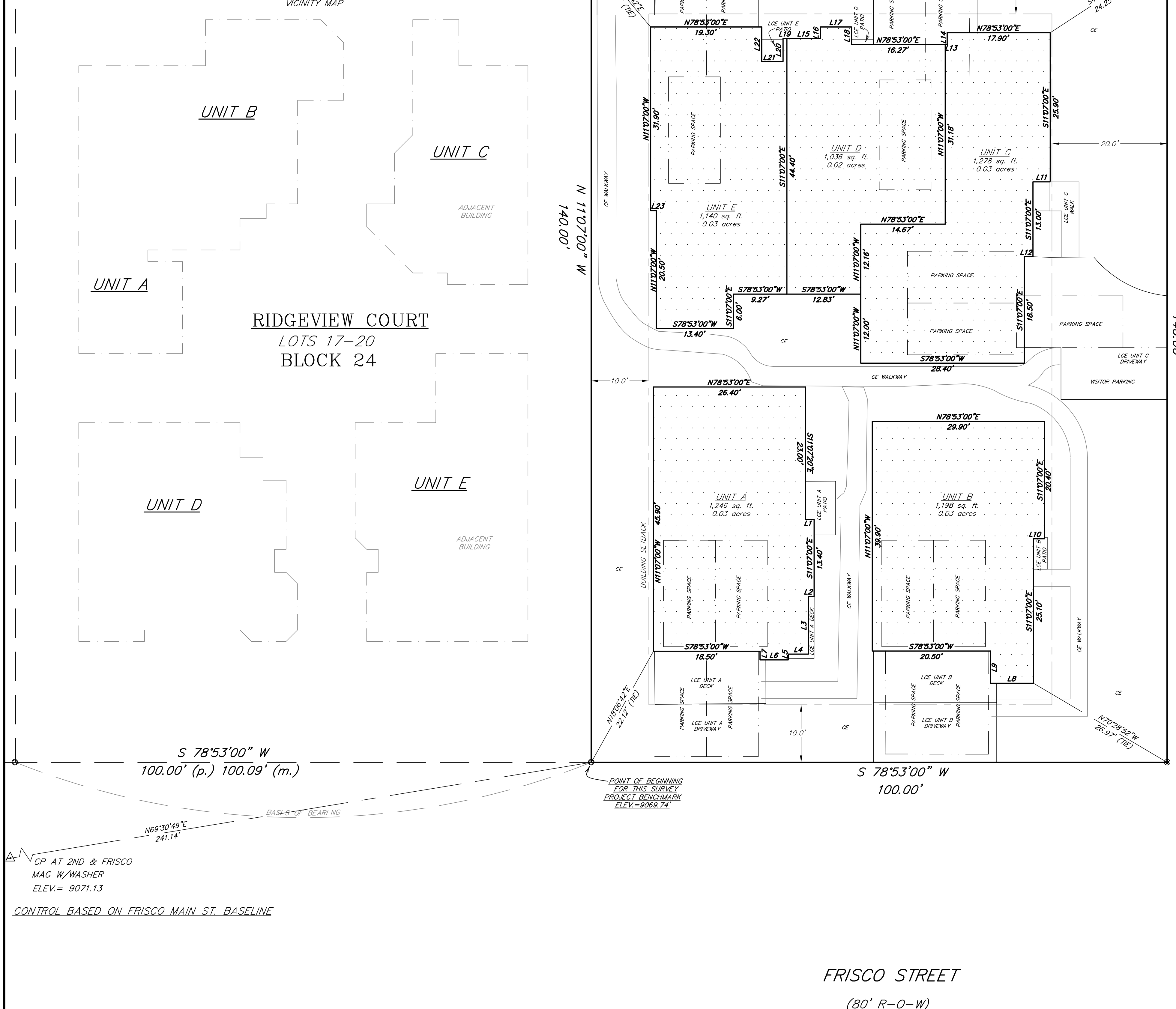


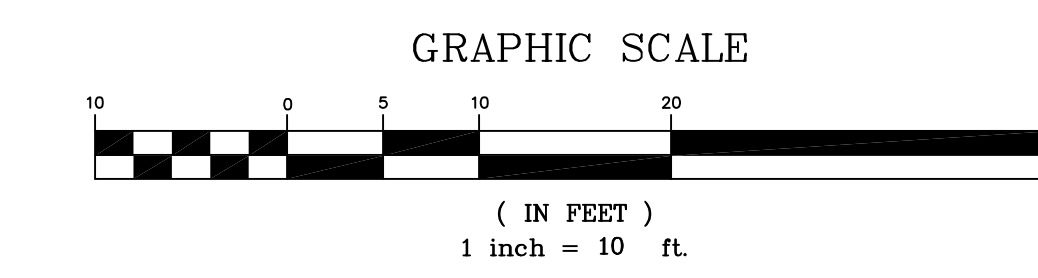
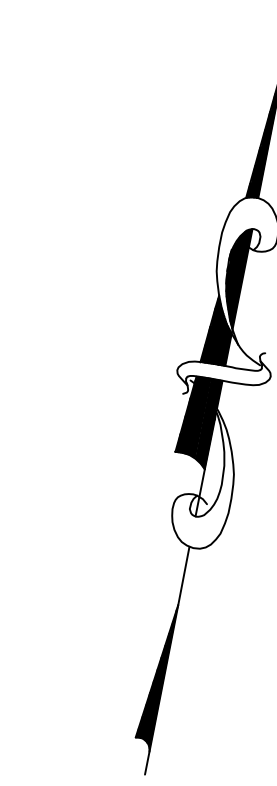
STORM KING MOUNTAIN HOMES A RESUBDIVISION OF LOTS 21 thru 24, BLOCK 24

FRISCO TOWNSITE AMENDED

ACCORDING TO THE PLAT RECORDED 02/11/1966 AT REC. NO. 16089
TOWN OF FRISCO, SUMMIT COUNTY, COLORADO



ALLEY
(40' R-O-W)



- LEGEND**
- SET REBAR & PLASTIC CAP (PLS 26292)
 - FOUND REBAR & PLASTIC CAP (PLS 15242)
 - FOUND #4 REBAR
 - FOUND REBAR & PLASTIC CAP (PLS 4974)

LINE	BEARING	LENGTH
L1	N78°53'00"E	1.50'
L2	S78°53'00"W	1.00'
L3	S11°07'00"E	10.00'
L4	S78°53'00"W	3.50'
L5	S11°07'00"E	1.00'
L6	S78°53'00"W	4.90'
L7	N11°07'00"W	1.50'
L8	S78°53'00"W	7.50'
L9	N11°07'00"W	5.60'
L10	S78°53'00"W	1.90'
L11	S78°53'00"W	3.00'
L12	S78°53'00"W	1.50'
L13	N78°53'00"E	0.33'
L14	S11°07'00"E	2.08'
L15	N78°53'00"E	5.83'
L16	N11°07'00"W	2.00'
L17	N78°53'00"E	5.40'
L18	S11°07'00"E	3.06'
L19	N78°53'00"E	0.67'
L20	N11°07'00"W	4.00'
L21	N78°53'00"E	3.70'
L22	N11°07'00"W	6.20'
L23	S78°53'00"W	1.00'

SOUTH THIRD AVE.
(75' R-O-W)

TITLE COMPANY'S CERTIFICATE:

TITLE COMPANY DOES HEREBY CERTIFY THAT IT HAS EXAMINED THE TITLE TO ALL LANDS AS SHOWN HEREON AND TITLE TO SUCH LANDS IS IN THE DEDICATOR FREE AND CLEAR OF ALL LIENS, TAXES, AND ENCUMBRANCES, EXCEPT AS FOLLOWS:

DATED THIS _____ DAY OF _____, 20____.

AGENT _____

MORTGAGE HOLDER CERTIFICATE:

THAT THEY HAVE EXAMINED THIS PLAT AS A LENDER FOR THE PROJECT AND DOES HEREBY APPROVE OF THIS PLAT.

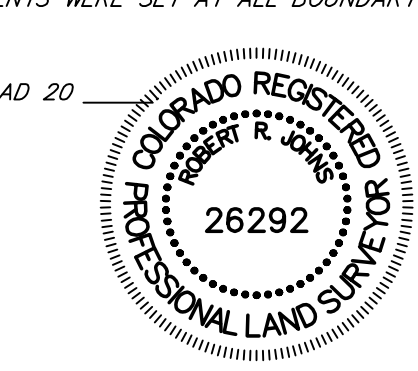
BY: _____ DATE: _____
NAME: _____
TITLE: _____

SURVEYOR'S CERTIFICATE:

I, ROBERT R. JOHNS, BEING A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THIS PLAT AND SURVEY OF "STORM KING MOUNTAIN HOMES" 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 20____.

SIGNATURE: ROBERT R. JOHNS
COLORADO REGISTRATION NO. 26292



OWNER'S CERTIFICATE:

KNOW ALL PERSONS BY THESE PRESENTS: THAT STORM KING DEVELOPMENT COMPANY, A COLORADO CORPORATION, BEING THE OWNER OF THE LAND DESCRIBED AS FOLLOWS:

LOTS 21-24, BLOCK 24, FRISCO TOWNSITE AMENDED
TOWN OF FRISCO, SUMMIT COUNTY, COLORADO

UNDER THE NAME AND STYLE OF "STORM KING MOUNTAIN HOMES"

HAS 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, SAID OWNER, STORM KING DEVELOPMENT COMPANY, A COLORADO CORPORATION, HAS CAUSED ITS NAME TO HEREUNTO BE SUBSCRIBED THIS _____ DAY OF _____, A.D. 20____.

STORM KING DEVELOPMENT COMPANY, A COLORADO CORPORATION

BY: _____
AS: _____

NOTARIALS:

STATE OF _____
COUNTY OF _____
THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, AD 20____, BY _____, AS _____ OF STORM KING DEVELOPMENT COMPANY, A COLORADO CORPORATION.
WITNESS MY HAND AND OFFICIAL SEAL: _____ MY COMMISSION EXPIRES _____
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 "STORM KING MOUNTAIN HOMES" IS APPROVED BY THE TOWN COUNCIL OF FRISCO, COLORADO, REPRESENTED BY THE MAYOR, FOR FILING THIS _____ DAY OF _____, AD _____.
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 SAID DEDICATION OF PUBLIC WAYS AND DULY RECORD SUCH ACCEPTANCE.

BY: _____
MAYOR
ATTEST: _____
TOWN CLERK

TREASURER'S CERTIFICATE:

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 _____, 20____.
SIGNATURE: _____
SUMMIT COUNTY TREASURER

CLERK & RECORDER'S ACCEPTANCE:

THIS PLAT WAS ACCEPTED FOR FILING IN THE OFFICE OF THE SUMMIT COUNTY CLERK AND RECORDER ON THIS _____ DAY OF _____, AD 20____ AND FILED FOR RECORD AT _____ M., UNDER RECEPTION NUMBER _____.

SIGNATURE: _____
SUMMIT COUNTY CLERK AND RECORDER/DEPUTY

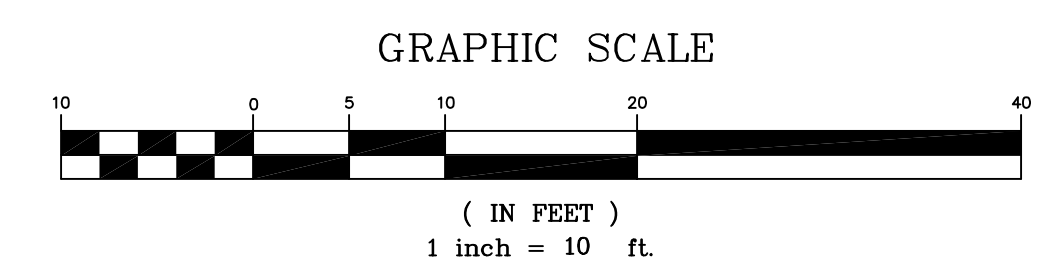
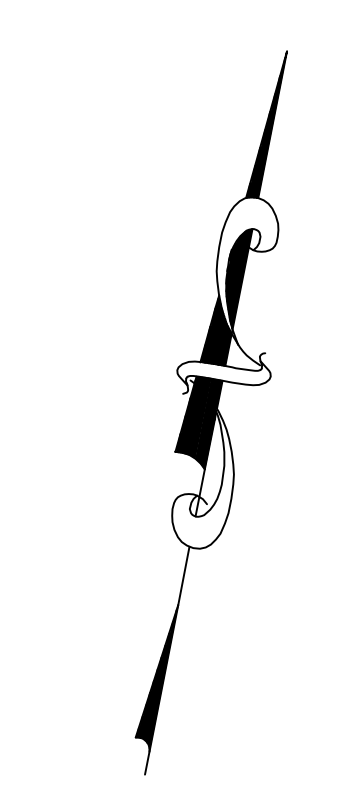
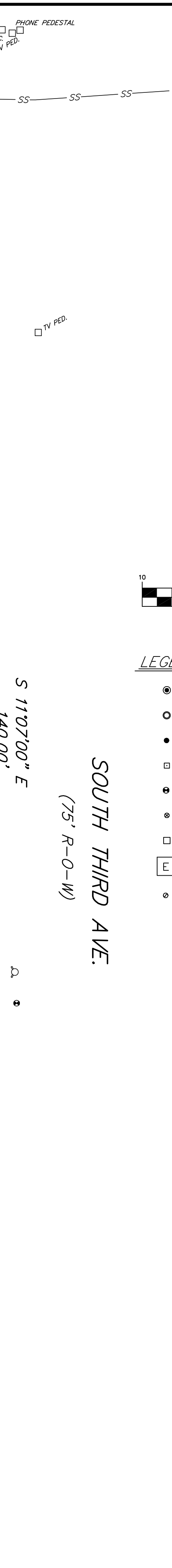
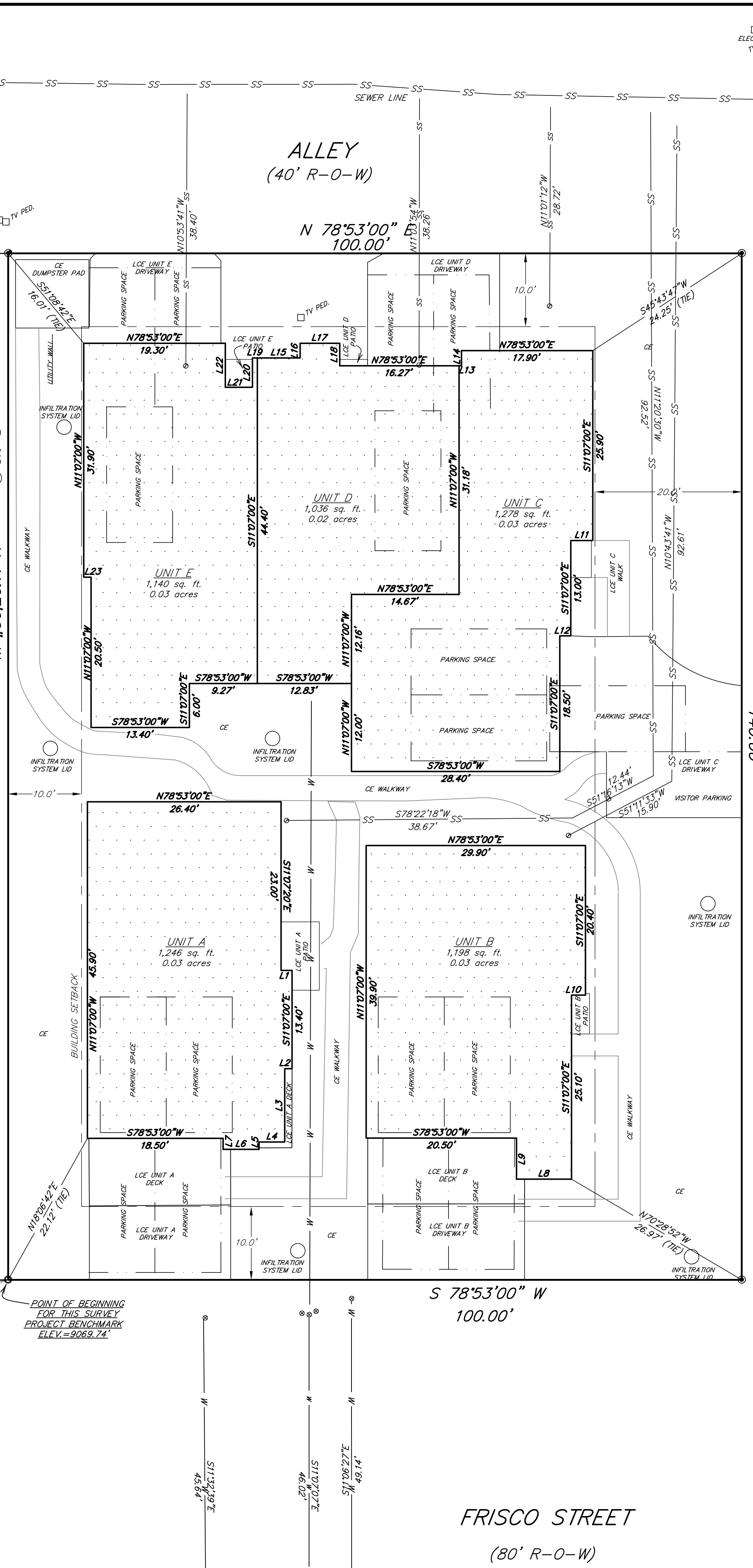
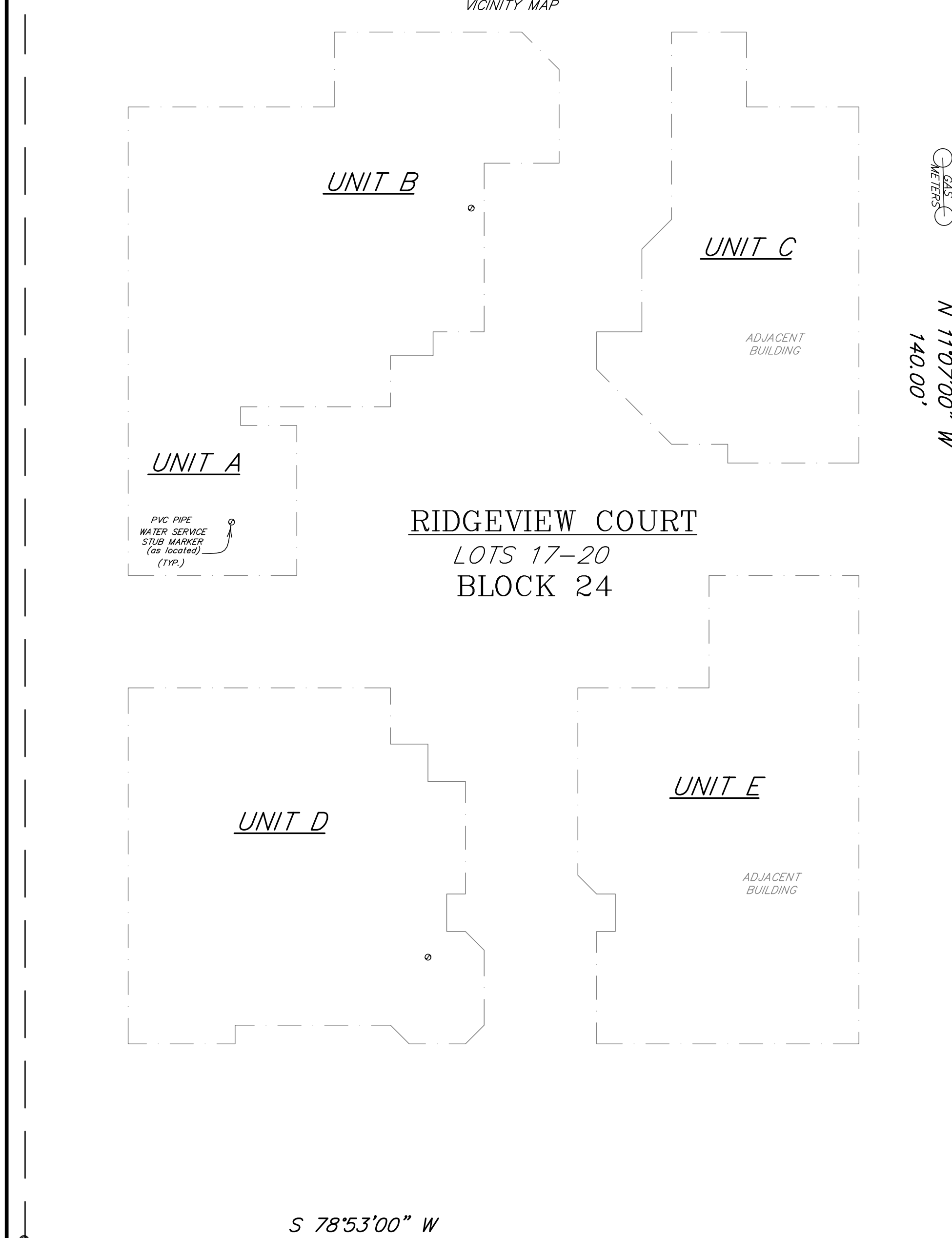
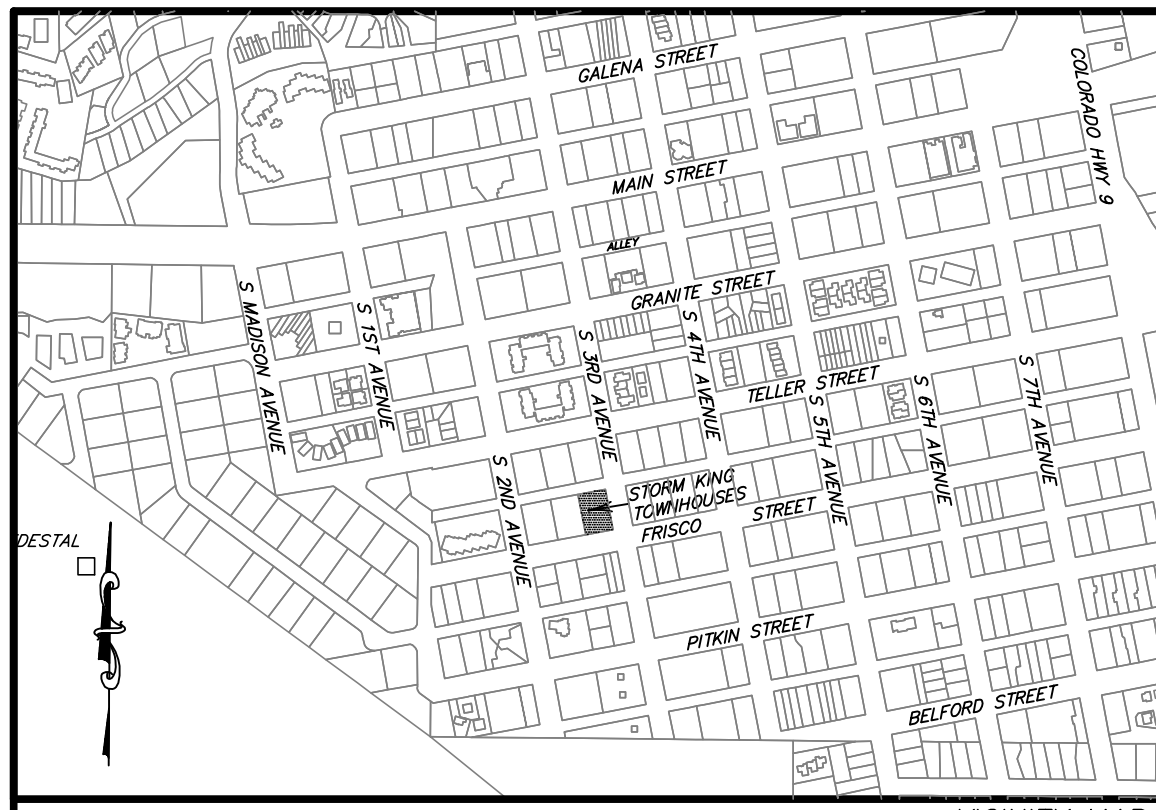
NOTE: ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.

Drawn JJK/RRJ/ESH	Dwg 22334PLAT	Project 22334
Checked RRR	Date 12/16/2022	Sheet 1 of 1

RANGEWEST
ENGINEERS & SURVEYORS INC.

P.O. Box 589
Silverthorne, CO 80498 970-468-6281

A UTILITY MAP OF
STORM KING MOUNTAIN HOMES
A RESUBDIVISION OF LOTS 21 thru 24, BLOCK 24
FRISCO TOWNSITE AMENDED
 ACCORDING TO THE PLAT RECORDED 02/11/1966 AT REC. NO. 16089
 TOWN OF FRISCO, SUMMIT COUNTY, COLORADO



- LEGEND**
- SET REBAR & PLASTIC CAP (PLS 26292)
 - FOUND REBAR & PLASTIC CAP (PLS 15242)
 - FOUND #4 REBAR
 - FOUND REBAR & PLASTIC CAP (PLS 4974)
 - WATER VALVE
 - CURB STOP (WATER SERVICE)
 - UTILITY PEDESTAL
 - TRANSFORMER
 - SEWER SERVICE STUB

LINE	BEARING	LENGTH
L1	N78°53'00"E	1.50'
L2	S78°53'00"W	1.00'
L3	S11°07'00"E	10.00'
L4	S78°53'00"W	3.50'
L5	S11°07'00"E	1.00'
L6	S78°53'00"W	4.90'
L7	N11°07'00"W	1.50'
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L21	N78°53'00"E	3.70'
L22	N11°07'00"W	6.00'
L23	S78°53'00"W	1.00'

S 78°53'00" W
100.00' (p.) 100.09' (m.)

CURB STOPS (as located)

POINT OF BEGINNING FOR THIS SURVEY PROJECT BENCHMARK ELEV.=9069.74'

N69°30'49"E 241.14'

CP AT 2ND & FRISCO
MAG W/WASHER
ELEV.= 9071.13

CONTROL BASED ON FRISCO MAIN ST. BASELINE

NOTE: ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.

SOUTH THIRD AVE.
(75' R-O-W)



Drawn JJK/RRJ/ESH	Dwg 22334/UTL	Project 22334
Checked RRR	Date 12/13/2022	Sheet 1 of 1

RANGEWEST
ENGINEERS & SURVEYORS INC.

P.O. Box 589
Silverthorne, CO 80498 970-468-6281



**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: **MRG20206352-4**

Date: **12/14/2022**

Property Address: **315 S 3RD AVE, FRISCO, CO 80443**

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

For Closing Assistance

Amy Pombo
60 MAIN STREET, SUITE C
FRISCO, CO 80443
PO BOX 4308
(970) 455-1356 (Work)
(877) 334-1984 (Work Fax)
apombo@ltgc.com
Company License: CO45933

Closers Assistant

Katie Merrion
60 MAIN STREET, SUITE C
FRISCO, CO 80443
PO BOX 4308
(970) 486-1526 (Work)
(877) 334-1984 (Work Fax)
kmerrion@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

STORM KING DEVELOPMENT COMPANY, A
COLORADO CORPORATION
Attention: DARREN NAKOS
PO BOX 630
FRISCO, CO 80443
dnakos@recenteric.com
Delivered via: Electronic Mail

Lender - New Loan

FIRSTBANK - ROARING FORK VALLEY
Attention: BRENDAN MATTHIAS
2014 GRAND AVE
GLENWOOD SPRINGS, CO 81601
(970) 928-5982 (Work)
brendan.matthias@efirstbank.com
Delivered via: Electronic Mail

Agent for Seller

YOUR CASTLE SUMMIT LLC
Attention: AMY NAKOS
PO BOX 630
FRISCO, CO 80443
(970) 389-8388 (Cell)
(970) 620-8554 (Work)
(866) 210-0465 (Work Fax)
amy@amynakos.com
jennifer@amynakos.com
Delivered via: Electronic Mail

Attorney for Seller

THE HULBERT LAW OFFICE, LLC
Attention: TRACIE HULBERT
PO BOX 7278
BRECKENRIDGE, CO 80424
(970) 453-2360 (Work)
tracie@hulbertlaw.com
Delivered via: Electronic Mail



Land Title Guarantee Company of Summit County
Estimate of Title Fees

Order Number: **MRG20206352-4**

Date: **12/14/2022**

Property Address: **315 S 3RD AVE, FRISCO, CO 80443**

Parties: **TO BE DETERMINED**

STORM KING DEVELOPMENT COMPANY, A COLORADO CORPORATION

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

Estimate of Title Insurance Fees	
"ALTA" Owner's Policy 06-17-06 Builder/Developer Rate	TBD
	Total TBD
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 10/12/2021 under reception no. 1272405](#)

[Summit county recorded 01/21/2014 under reception no. 1047011](#)

[Summit county recorded 05/07/2004 under reception no. 755497](#)

Plat Map(s):

[Summit county recorded 02/11/1966 under reception no. 104210](#)

ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule A

Order Number: MRG20206352-4

Property Address:

315 S 3RD AVE, FRISCO, CO 80443

1. Effective Date:

12/05/2022 at 5:00 P.M.

2. Policy to be Issued and Proposed Insured:

"ALTA" Owner's Policy 06-17-06 Builder/Developer Rate
Proposed Insured:
TO BE DETERMINED

TBD

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:

STORM KING DEVELOPMENT COMPANY, A COLORADO CORPORATION

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

LOTS 21, 22, 23 AND 24, BLOCK 24, TOWN OF FRISCO AS SHOWN ON THE FILED PLAT THEREOF,
COUNTY OF SUMMIT, STATE OF COLORADO.

TO BE KNOWN AS:

UNIT X, STORM KING MOUNTAIN HOMES, ACCORDING TO THE PLAT THEREOF RECORDED XX XX, 2022
UNDER RECEPTION NO. XXXXXXXX, COUNTY OF SUMMIT, STATE OF COLORADO.

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**AMERICAN
LAND TITLE
ASSOCIATION**



ALTA COMMITMENT

Old Republic National Title Insurance Company

Schedule B, Part I

(Requirements)

Order Number: MRG20206352-4

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.

1. RECORDING OF THE PLAT FOR SUBJECT PROPERTY
2. RECORDING OF THE DECLARATIONS FOR SUBJECT PROPERTY
3. PARTIAL RELEASE OF DEED OF TRUST DATED OCTOBER 01, 2021, FROM STORM KING DEVELOPMENT COMPANY TO THE PUBLIC TRUSTEE OF SUMMIT COUNTY FOR THE USE OF FIRSTBANK TO SECURE THE SUM OF \$6,225,000.00 RECORDED OCTOBER 12, 2021, UNDER RECEPTION NO. [1272406](#).
DISBURSER'S NOTICE IN CONNECTION WITH SAID DEED OF TRUST WAS RECORDED OCTOBER 12, 2021, UNDER RECEPTION NO. [1272407](#).
4. EVIDENCE SATISFACTORY TO LAND TITLE GUARANTEE COMPANY THAT THE TOWN OF FRISCO REAL ESTATE INVESTMENT FEE ORDINANCE HAS BEEN COMPLIED WITH. (THIS MAY BE SUBMITTED AT THE TIME OF RECORDING OF DOCUMENTS.)
5. WARRANTY DEED FROM STORM KING DEVELOPMENT COMPANY, A COLORADO CORPORATION CONVEYING SUBJECT PROPERTY.

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: MRG20206352-4

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. RESERVATIONS AS CONTAINED IN UNITED STATES PATENT RECORDED JANUARY 11, 1892 IN BOOK 62 AT PAGE [562](#) AND RERECORDED APRIL 25, 1975 IN BOOK 264 AT PAGE [727](#) UNDER RECEPTION NO. [148106](#).**
- 9. NOTES, DEDICATIONS, AND EASEMENTS SET FORTH ON THE PLAT FOR FRISCO TOWNSITE AMENDED RECORDED FEBRUARY 11, 1966 UNDER RECEPTION NO. [104210](#).**
- 10. NOTES, DEDICATIONS AND EASEMENTS SET FORTH ON THE PLAT RECORDED XX XX, 2022 UNDER RECEPTION NO. XXXXXXX.**
- 11. 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 XX XX, 2022, UNDER RECEPTION NO. XXXXXXX.**



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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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
STORM KING MOUNTAIN HOMES**

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DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
STORM KING MOUNTAIN HOMES

THIS DECLARATION of Covenants, Conditions, and Restrictions, of Storm King Mountain Homes, ("Declaration") is made this day of _____, 2022, by STORM KING DEVELOPMENT COMPANY, a Colorado corporation, hereinafter referred to as "Declarant".

RECITALS

A. Declarant is the owner of that real property located in the Town of Frisco, Summit County, State of Colorado, specifically the following property:

STORM KING MOUNTAIN HOMES, A RESUBDIVISION OF LOTS 21 THRU 24, BLOCK
24, FRISCO TOWNSITE AMENDED

the legal descriptions of all of the aforementioned Units are set forth in Exhibit A attached hereto and thereby incorporated herein, which real estate noted above when combined is hereinafter referred to in this Declaration as the "Property".

B. Declarant desires to establish a planned residential community consisting of 5 Townhouses as that term is defined in Chapter 180 of the Town of Frisco, Unified Development Code, on the Property described above, in which the Units are designated for separate ownership. The remainder of the Property will be owned by the Storm King Mountain Homes Homeowners Association, Inc., a Colorado non-profit corporation, named below and designated as Common Elements or as Limited Common Elements. Every Unit has beneficial rights in any common walkways, open space and parking areas so noted on the Plat.

C. Declarant desires to protect and maintain the project as a prime mountain residential community of the highest quality and value to enhance and protect its desirability and attractiveness.

D. Declarant further desires to provide for the operation and maintenance of the Common Elements and Limited Common Elements and other related facilities serving the project.

E. Declarant has deemed it necessary and desirable, for the welfare of the Owners of the Property, to subject the Property to the covenants, restrictions, easements, charges, assessments and liens set forth below, which shall be burdens and benefits to the Declaration and the other Owners and their respective successors, heirs, executors, administrators, devisee, grantees or assigns.

F. Declarant has caused to be incorporated under the laws of the State of Colorado, Storm King Mountain Homes Homeowners Association, Inc., a Colorado non-profit corporation, and delegates and assigns to this Association the power and duties of administering the Common Elements and Limited Common Elements, and administering and enforcing these covenants and restrictions and the Association Rules and Regulations, and collecting and disbursing the assessments and charges created under this Declaration.

G. The definitions of the Colorado Common Interest Ownership Act (the "Act"), Sections 38-33.3-101, et seq., Colorado Revised Statutes, and any Sections of the Act referenced herein are specifically adopted in this Declaration as is the Exclusion for Small Communities set forth at C.R.S. §38-33.3-116 (under twenty units). For purposes of this Declaration, the definition of "townhome" shall be deemed the equivalent to the definition of "Condominium" as described in the Act. In addition, the definitions of Chapter 180 of the Town of Frisco, Unified Development Code, that are pertinent, are specifically adopted in this Declaration. The name of the common interest community shall be Storm King Mountain Homes and it shall be a planned community, as defined under the Act.

ARTICLE 1

SCOPE OF DECLARATION & SUBMISSION

1.1. Property Subject to Declaration. Declarant, as the owner of fee simple title to the Properties, expressly intends to and, by recording this Declaration, does hereby subject the Properties to the provisions of this Declaration. Declarant hereby declares that the Property shall be held, sold and conveyed subject to the Plat Map, the Act, and the protective covenants, restrictions, reservations and obligations set forth herein, all of which are declared and agreed to be for the protection of the value of the Property and for the benefit of any person having any right, title or interest in the property and which shall be deemed to run with the land, and shall be a burden and benefit on all parties acquiring such right, title, or interest in the Property or any part thereof, their grantees, heirs, successors, legal representatives and assigns. The Recitals set forth above are specifically incorporated herein.

1.2. Conveyance. Subject to Declaration. All easements, restrictions, conditions, obligations, reservations, rights, benefits and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant to and running with the land, and shall at all times inure to the benefit of and be binding on any person having at any time any interest or estate in the Properties, and their respective heirs, successors, representatives or assigns. Any instrument recorded subsequent to this Declaration and purporting to establish and affect any interest in the Properties shall be subject to the provisions of this Declaration despite any failure to make reference thereto.

1.3. Owner's Rights Subject to the Provisions of This Declaration. Each Owner shall own his Unit in fee simple for residential use, and shall have full and complete dominion thereof, subject to the provisions of this Declaration.

1.4. Plat Map. The Plat is recorded in the records of the County Clerk of Summit County, Colorado, and by this reference incorporates said Plat and hereby makes it a part of this Declaration.

1.5. Compliance with the Provisions of This Declaration. Each Owner shall strictly comply with, and shall cause each of his or her Guests to comply with, all of the provisions of this Declaration, as the same may be amended from time to time. Each Owner is fully responsible for the actions of his or her Guests. Failure to comply with any of the provisions of this Declaration by an Owner or his Guests shall be grounds for an action to recover sums due and for damages or injunctive relief or both, along with costs of suit and reasonable attorney's fees, maintainable by an aggrieved Owner or Declarant.

ARTICLE 2

NAME, DIVISION INTO UNITS

2.1. Name. The name of this Project is STORM KING MOUNTAIN HOMES.

2.2. Association. The name of the Association is Storm King Mountain Homes Homeowners Association, Inc., which Declarant has caused to be incorporated as a non-profit corporation under the laws of the State of Colorado for the purpose of exercising the functions as herein set forth.

2.3. Number of Units. The number of Units in this Project is five (5).

2.4. Identification of Units and Appurtenances. The identification number of each Unit is shown on the Plat, recorded concurrently herewith in the real property records of Summit County, Colorado and they are individually addressed. The definition of a "Unit" shall include the land lying below the improvement at its foundation outline or footprint, as indicated on the Plat. Land lying below any overhanging portion of a structure so designated as a Unit shall not be a part of that Unit but rather part of either Common Elements or Limited Common Elements, with the overhanging portion enjoying an encroachment easement for such overhang. Driveways and assigned parking spaces are not part of a Unit but rather are Limited Common Elements, limited in their use to their assigned beneficial Owner, but as Limited Common Elements, they will be maintained by the Association.

ARTICLE 3

DEFINITIONS

3.1. "Act" means the Colorado Common Interest Ownership Act as the same exists at the date hereof and as it may be amended from time to time (C.R.S. §§38-33.3-101 et seq.).

3.2. "Articles" mean the Articles of Incorporation for Storm King Mountain Homes Homeowners Association, Inc., on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.

3.3. "Assessments" means the Periodic, Supplementary, Special, and Default Assessments levied pursuant to the Article named Assessments herein.

3.4. "Association" means the Storm King Mountain Homes Homeowners Association, Inc., a Colorado non-stock, nonprofit membership corporation, its successors and assigns, the Articles of Incorporation and Bylaws of which shall govern and manage the Property. The members of the Association shall be all of the Unit Owners and the management of which shall be in the Board of such Association, except as may be expressly provided herein or in the Articles of Incorporation and Bylaws thereof.

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

3.6. "Board of Directors" or "Board" means the Board of Directors of the Association, elected by the Owners, to perform the obligations of the Association relative to the operation, maintenance and management of the Property and all improvements on the Property.

3.7. "Bylaws" means the Bylaws adopted by the Association as amended from time to time.

3.8. "Committee" or "Design Review Committee" means the Committee organized pursuant to review, approve or disapprove proposed and completed improvement to be made to Units within the Property.

3.9. "Common Elements" means the unimproved land appurtenant to the Units as a whole, structural walls and utilities which are located within a Unit but serve another Unit, any hot tub, fire pit, gazebo, decks or other improvements designated to be used by all Owners on the Plat, driveways and assigned parking areas not otherwise designated as part of a Unit or Limited Common Element. The term "Common Elements" shall also include the Limited Common Elements, which are exclusively reserved for use by a specific Owner. "Common Elements" do

not include a "Unit" or the real estate (land) lying beneath a "Unit" at that "Unit's" foundation outline or footprint. Piping, connections and facilities carrying water, sewer, gas and or electric which run from the boundary of a Unit to their respective connections with the Town of Frisco's main water and sewer system or Public Service will be considered a Common or Limited Common Element and as such, maintenance and repair responsibilities will be the Association's.

Note that one or more Units may have both the water metering and billing for the Common Elements irrigation system assigned to it and may be required to forward invoices received for such water service to the Association to be addressed as a Common Expense. There will be no additional responsibility of such Unit Owner beyond that forwarding effort for the Common Element water expense, save for its standard contribution as a member of the Association sharing the overall Common Expense.

3.10. "Common Expenses" means all expenses expressly declared to be common expenses by this Declaration or the Bylaws of the Association including (i) all expenses of administering, servicing, managing, maintaining, repairing or replacing Common Elements; (ii) all expenses for snow removal from the Common and Limited Common Elements (except snow removal from decks); (iii) all expenses of maintaining, repairing, or replacing any part of the water, sewer, gas and or electric utility lines and facilities serving more than one Unit or located on/in/under the Common Elements; (v) insurance premiums for insurance carried under this Declaration; (vi) all sums lawfully assessed against the Units by the Board; and (vii) expenses agreed upon as Common Expenses by the members of the Association. Section 202 of the Act will apply to further define the boundaries of Units and Common Elements.

3.11. "Townhome Map", "Plat", or "Plat Map" shall mean and refer to the Plat for Storm King Mountain Homes, recorded or to be recorded in the records of the office of the Clerk and Recorder of the County of Summit, Colorado and any supplements or amendments thereto.

3.12. "Townhome Unit", or "Unit" shall mean and refer to the fee simple interest in and to an individual air space unit called a "Townhome", the real estate or "Land" lying beneath the Unit, together with the exclusive use of the Limited Common Elements allocated thereto, all fixtures and improvements therein contained, and together with the membership in the Association as provided in that Article entitled "Membership & Voting Rights" below. Interior walls, floors or ceilings are designated as boundaries of a Unit. All plywood, plaster, wallboard, paneling, tiles, wallpaper, painting, finished flooring and any other materials constituting any portion of the finished surfaces thereof are part of the Unit; all other portions of the exterior walls and ceilings are part of the Common Elements. Exterior doors and windows or other fixtures designed to serve a single Unit, but located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit. Exterior assigned parking spaces and driveways are not part of a Unit but

are Limited Common Elements. Interior parking spaces contained wholly within exterior walls attached to the Unit are deemed part of the Unit.

3.13. "Declarant" means Storm King Development Company, a Colorado corporation, or its successors or assigns, if such successors or assigns acquire any portion of the Property for the purpose of development and be designated by the Declarant or a successor Declarant, as a Declarant for the purpose hereof by a duly recorded written instrument. Any such designation by the Declarant or a successor Declarant may include the right of re-designation by such successor or further successors. For the purpose of evidencing that Declarant's rights hereunder have been assigned and obligations assumed by any party, Declarant may record an assignment or deed in the records of Summit County, Colorado, and upon such recording, Declarant's rights and obligations hereunder shall cease and terminate.

3.14. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Storm King Mountain Homes, and any duly adopted amendments and supplements thereto, which may be adopted from time to time.

3.15. "Design Review Committee" or "Committee" means the Committee organized pursuant to review, approve or disapprove proposed and completed improvements to be made to Units within the Property.

3.16. "Design Review Guidelines" means the Design Review Guidelines for Storm King Mountain Homes which shall be promulgated, supplemented and amended from time to time by the Committee. These guidelines are intended to implement and interpret the design review and architectural approval provisions of this Declaration with more detail than this Declaration.

3.17. "First Mortgage" means any Deed of Trust or Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute, but shall not include mortgages or deeds of trust junior to a first mortgage or first deed of trust or involuntary liens, such as mechanic's liens and judgments.

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

3.19. "Guest" means any agent, tenant, guest, licensee, contract purchaser or invitee of an Owner or the members of such Owner's household.

3.20. "Improvement" means any items requiring approval by the Committee which shall include, but not be limited to: the construction, erection, modification or alteration of any structures; grading; excavation; filling; changes in drainage courses; voluntary demolition; paint

colors and materials, siding and roofing material and textures' window types; fences; playground equipment; landscaping (sod, trees, flowers, bark mulch, gravel, vegetable gardens, compost areas); garages; parking spaces; accessory buildings; storm windows and doors; awnings; gutters and downspouts; stairs; decks; patios; dog houses; exterior lighting; signs; exterior heating and air-conditioning equipment; etc.

3.21. "Limited Common Elements" means a portion of the Common Elements allocated by this Declaration or the Plat Map for the exclusive use of one or more Owners but fewer than all the Owners; the Limited Common Elements are depicted on the Plat Map and described in this Declaration. Note: while exterior assigned parking spaces and driveways are noted as Limited Common Elements on the Plat Map, interior parking spaces, contained wholly within exterior walls attached to the Unit, are not and are deemed to be a part of the Unit.

3.22. "Manager" shall mean a person or entity engaged by the Association to perform certain duties, powers or functions of the Association, as the Board may authorize from time to time.

3.23. "Member" means every person or entity who holds membership in the Association.

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

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

3.26. "Owner" means the owner of record, whether one or more persons or entities, of the fee simple title to any Unit, and "Owner" also includes the purchaser under a contract for deed covering a Unit of this Project, but shall not mean any person or entity who holds such interest merely as security for the performance of a debt or other obligation, including a mortgagee or beneficiary under a deed of trust, unless and until such person has acquired fee simple title pursuant to foreclosure or other proceedings

3.27. "Party Wall" means any wall which is constructed as a common part of the improvements on the triplex Units and which are located between such Units on the Plat.

3.28. "Project" or the "Project" shall mean the planned community created by this Declaration, consisting of the Property and any other improvements constructed on the Property and as shown on the Plat Map.

3.29. "Property" and "Properties" shall mean those Units A through E inclusive or as otherwise individually addressed, according to the Plat, said group of Units herein collectively also referred to as "Storm King Mountain Homes".

3.30. "Successor Declarant" means any party or entity to whom Declarant assigns any or all of its rights, obligations, or interest as Declarant, as evidenced by an assignment or deed of record in the office of the Clerk & Recorder of Summit County, Colorado, designating such party as a Successor Declarant. Upon such recording, Declarant's rights and obligations under this Declaration shall cease and terminate to the extent provided in such document.

3.31. "Townhome" means that entity defined by Chapter 180 of the Town of Frisco, Unified Development Code, which is equivalent to the term "Unit".

3.32. "Unit" means any one of the five (5) Units (identified as A through E or as otherwise individually addressed) as shown on the Plat, including all improvements of permanent nature located on the Properties.

ARTICLE 4

OWNERS' ASSOCIATION; MEMBERSHIP & VOTING RIGHTS

4.1. General Purposes and Powers. The Association and the Board of Directors shall have all powers necessary or desirable to effectuate such purposes including, but not limited to, the right, power and obligation to: (i) operate, regulate, manage, maintain, alter, repair, and charge Assessments in connection with the operation and use of the Properties; (ii) maintain, improve, repair and manage all aspects of the Common Areas as depicted on the Plat, (iii) represent the Owners' interests under this Declaration; (iv) enforce all terms, covenants, restrictions, conditions, uses, and limitations set forth herein; and (v) exercise and perform all rights and obligations granted to the Association under the Act, the Articles of Incorporation and the Bylaws.

4.2. Articles of Incorporation and Bylaws. The purposes and powers of the Association and Board of Directors, and their rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified, but not modified, by the provisions of the Articles of Incorporation and the Bylaws of the Association. In the event of a conflict between the terms and provisions of the Articles of Incorporation and the Bylaws, the terms and provisions of the Articles of Incorporation shall control. In the event of a conflict between the terms and provisions of the Articles of Incorporation and the Bylaws and the terms and provisions of this Declaration, the terms and provisions of this Declaration shall control.

4.3. Compliance with Association Articles, Bylaws. Each Owner shall abide by each provision, covenant, condition, and restriction contained in this Declaration and with the Articles of Incorporation and Bylaws of the Association, and rules and regulations promulgated pursuant to the Articles. The obligations, burdens, and benefits of membership in the Association shall be covenants running with each Owner's Unit for the benefit of all the Units.

4.4. Voting. The Association shall have one (1) class of voting membership. Members shall be all Owners who, except as otherwise provided for in this Declaration, shall be entitled to vote in Association matters pursuant to this Declaration on the basis of one vote for each Unit owned. When more than one party holds an ownership interest in any Unit, all such parties shall be members of the Association. The vote for each Unit shall be exercised as the persons having an interest in such Unit shall determine among themselves, but in no event shall a fractional vote or more than one vote be cast with respect to any Unit. The vote for such Unit shall be exercised by one person or alternative person (who may be a tenant of the Owners) appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any owner of a Unit which is leased may assign his voting right to the tenant; provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. The Association may adopt bylaws governing procedures for voting and notice when multiple ownership of a single Unit occurs. Each Unit shall have one vote for the transacting of all Association business including the election of a Board. The Board shall consist of three (3) people to be elected from the Owners except that during the term of Declarant's control, Directors appointed by the Declarant shall not be required to be Unit Owners.

4.5. Quorum. The presence of 60% of the Owners, in person or by proxy, entitled to vote on any matter whether actually voting or not, shall constitute a quorum; if a quorum is established for consideration of a matter, except as a greater percentage of votes is required under a specific provision of this Declaration or the Bylaws, a majority of the votes cast on the matter or in the case of elections in which there are more than two candidates, a plurality of votes cast, shall decide the matter. Voting by proxy shall be permitted pursuant to the Bylaws.

4.6. Election of Directors.

a. Subject to the terms and conditions below, but notwithstanding anything else to the contrary contained in this Declaration or in any other Association Documents, Declarant shall have the exclusive right to appoint and remove all officers and directors during the Declarant Control Period. The phrase "Declarant Control Period" means the period commencing on the date on which Declarant forms the Association and ending on the earliest to occur of:

- (i) the date that is sixty days after conveyance of seventy-five (75%) percent of the Units that may be created by Declarant under this Declaration;
- (ii) the date that is two years after the last conveyance of a Unit by Declarant or Successor Declarant in the ordinary course of business; or
- (iii) the date that is two years after any right to add new Units was last exercised.

b. Declarant may voluntarily surrender its right to appoint and remove officers and directors prior to the expiration of the Declarant Control Period, but in that event, Declarant may require, for the remainder of the Declarant Control Period, that specific actions of the Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by the Declarant before they become effective.

c. During the thirty-day period immediately preceding the date on which the Declarant Control Period expires, the Owners shall elect an Executive Board of not less than three Directors, at least a majority of whom must be Owners other than Declarant or properly designated representatives of Owners other than Declarant. Such Directors shall take office upon election.

4.7. Powers. The Association shall have the power to, but not be limited by the following:

a. Adopt and publish rules and regulations governing the use of all Units and to establish penalties for infractions;

b. Suspend the voting rights of a member during any period in which the member is in default in the payment of any assessment levied by the Association. These rights may also be suspended after notice and hearing before the Association, for a period not to exceed sixty (60) days, for any infraction of the rules and regulations adopted by the Association;

c. Exercise a broad range of architectural controls over new construction repairs, alterations, modifications exterior painting, lighting, landscaping, and other matters pertaining to the Units;

d. Appoint standing and ad hoc committees from among the Owners as it deems necessary and desirable and delegate its duties to these committees;

e. Employ the services of an attorney and/or Manager or bookkeeper to manage the affairs of the Association;

f. Obtain and maintain casualty and liability policies to protect the Association, the Common Areas and the property of the Owners to the extent desirable; and

g. Keep detailed financial records including, but not limited to, a statement setting forth the amount of any unpaid Assessments currently levied against Units or Owners.

4.8. Implied Rights and Obligations. The Association may exercise any right or privilege expressly granted to the Association in the Association Documents, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association 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 Association Documents, and every other duty or obligation implied by the express provisions of the Association Documents or necessary to reasonable satisfy any such duty or obligation.

4.9. Conveyance 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.

ARTICLE 5

INCIDENTS OF UNIT OWNERSHIP

5.1. Title. Title to a Unit may be held by any person or persons and any entity or entities and in any manner in which title to real property may be held pursuant to the laws of the State of Colorado.

5.2. Inseparability. Every gift, devise, transfer, encumbrance, or other disposition of a Unit shall be presumed to be a gift, devise, transfer or encumbrance of the entire Unit, and all other appurtenant rights created by law or by this Declaration.

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

5.4. No Partition. No party shall maintain any action for partition or subdivision of such any area of the Property.

5.5. Access to Units for Maintenance, Repair, and Emergencies. The Association or their delegated representatives shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or emergencies that may occur on any Unit. All maintenance, repairs, and emergency efforts on any Unit shall be the at the expense of the Owner thereof. Such right of access shall be immediate for the making of emergency repairs in order to prevent property damage or personal injury. All damaged improvements shall be restored to substantially the same condition in which they existed prior to

the damage. This Declaration establishes no duty upon the Board of the Association or the Declarant to maintain or repair any structure on a Unit, and this Section 5.5 vests no rights in Owners or any other person as against the Board of the Association, the Association, or the Declarant.

5.6. Vehicles and Miscellaneous Equipment. Automobiles, trucks, pickups, campers, motorbikes or motorcycles, trail bikes, trailers, snowmobiles, or any other vehicle, shall be operated upon the Property only in areas designated as parking or as an access from a road to a Unit as have been designated on the Plat and further, any and all such operation shall be in accordance with such rules and regulations as may be adopted by the Board or the Association.

5.7. Indemnification. Except as otherwise provided for herein, each Owner agrees to indemnify and hold harmless the other Owners against any and all liability for injury and damage to the other's real or personal property, or to any person or persons, to the extent such injury or damage shall result from, arise out of, or be attributable to any action pursuant to this Declaration.

5.8. Insurance. The owner of each Unit shall maintain at all times insurance coverage insuring against:

- a. Loss or damage by fire and extended coverage perils in an amount no less than the full replacement value of the improvements on the Unit.
- b. Liability for bodily injury and property damage in the aggregate limit of not less than \$500,000 per occurrence arising from the use and ownership of the Unit.

ARTICLE 6

MAINTENANCE OF UNITS AND COMMON ELEMENTS

6.1. Maintenance of Common Elements. Except as otherwise provided in this Declaration, the Association (or its duly designated agent/Manager), shall maintain the Common Elements, including the Limited Common Elements, and the Association's property in good order and condition and shall otherwise manage and operate the Common Elements and such property as it deems necessary or appropriate. In this regard, the Association may:

- a. Construct, modify, add to, replace or renovate any improvements that are located on or constitute a part of any Common Element;
- b. Plant and replace trees, shrubs and other vegetation on any Common Element;

- c. Place, maintain and replace signs upon any Common Element;
- d. Maintain all exterior elements of the Project including the roof, siding, railings, decks, sidewalks, front porches and garage door surfaces of the Project;
- e. Adopt and enforce Rules and Regulations regulating the use of Common Elements;
- f. Impose and collect fees for the use of any Common Element; and
- g. Take any other actions as the Association deems necessary or advisable to protect, maintain, operate, manage or regulate the use of the Common Elements.

6.2. Maintenance of Units. Each Owner, at such Owner's sole cost and expense, shall maintain the interior of his or her Unit (including all fixtures therein) and any Limited Common Elements, including the roof-top deck and any other open space or decks appurtenant to such Unit, in good order and repair, including cleaning and removal of snow, except in such cases (e.g., paint on external doors and windows) where for reasons of uniformity or structural integrity, the Association deems it necessary or appropriate to perform such maintenance itself.

No Owner shall construct any structure or improvement, or make or suffer any structural or design change (including a color scheme change) either permanent or temporary and of any type or nature whatsoever to the exterior of an Unit or open space appurtenant to that Unit or construction of any addition or improvement on a Unit, without first obtaining the prior written consent thereto from the Committee, which shall have sole architectural control and design control regarding the external appearance of the exterior of the Project and appearance of the Common Elements and in regard to structural changes, the prior written consent of the Town of Frisco. The Committee and/or the Board shall adopt Rules and Regulations to implement Architectural standards and procedures and publish the same to the Owners no later than one (1) year after the last Unit is sold. No change in any exterior feature of the Project may be made by any Owner without the written approval of both the Committee and the Board, neither of which approval may be withheld for any reason that is not arbitrary, capricious or discriminatory. Any violation of an architectural standard or procedure or violation of a restriction or change or construction may be enforced by a proceeding at law in any appropriate venue. The Association shall be entitled to recover its reasonable attorney's fees for enforcement action in the event it prevails in such action.

In the event that a Unit or a Limited Common Element as set forth in this Section 6.2, including the roof-top deck and any other open space or decks appurtenant to such Unit, are not properly maintained by an Owner, then the Association, after ten (10) days prior written notice mailed by First Class Mail, delivered in person or by electronic means to the Owner and with the approval of the Board, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements thereon to a condition of good order and repair. All un-reimbursed costs shall be a lien upon the Unit until reimbursement is made. The

lien may be enforced in the same manner as a lien for an unpaid assessments levied in accordance with the Article named Assessments below. Such lien shall include a provision for reasonable attorneys' fees incurred by the Association in enforcing the lien.

6.3. Limited Common Expense Allocation. Any expense associated with the repair or replacement of a Limited Common Element which is an appurtenance to all Units in the Project shall be assessed as a Common Expense. Any expense associated with the maintenance, repair or replacement of a Limited Common Element, which is not provided to all Units shall be assessed equally against the Units for which the expense is incurred.

6.4. Allocation of Specified Common Elements. The Board may designate parts of the Common elements from time to time for use by less than all of the Unit Owners or by non-owners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Board. Any such designation by the Board shall not be deemed a sale or disposition of such portions of the Common Elements.

6.5. Maintenance Contract. The Association or Board may employ or contract for the services of an individual or maintenance company to perform certain delegated powers, functions, or duties of the Association to maintain the Common Elements. The employed individual or management company shall have the authority to make expenditures upon prior approval and direction of the Board. The Board shall not be liable for any omission or improper exercise by the employed individual or management company of any duty, power or function so delegated by written instrument executed by or on behalf of the Board.

ARTICLE 7

PROPERTY RIGHTS OF OWNERS AND RESERVATIONS BY DECLARANT

7.1. Owner's Easement of Enjoyment. Every Owner has a right and 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.

7.2. Recorded Easements. The Property shall be subject to all easements as shown on the Plat Map and to any other easements of record or in use as of the date of recordation of this Declaration as listed in Exhibit B, including those easements set forth in this Article.

7.3. Utility/Sewer/Water Easements. There is hereby created a general easement as an appurtenance of each Unit, a non-exclusive easement, upon, across, over, in and under the Common Elements, for ingress and egress and for installation, replacement, repair, and maintenance of all utilities, sewer and water distribution mechanisms, including, but not limited

to, gas, telephone, electrical, cable communications systems, sewer and water piping and connections. 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 revegetate the surface to its pre-existing condition.

The Association shall be responsible for any repairs that may be required in the portion of the sewer and water lines and facilities that may pass under any Common or Limited Common Elements.

7.4. Easement for Ingress and Egress. Declarant hereby 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 of the Property to each Unit to assure access from a public road to each Unit. The specific means of ingress and egress shall be subject to change as Declarant shall from time to time deem necessary so long as a reasonable means of access is always provided.

7.5. General Maintenance Easement. An easement is hereby reserved to Declarant, and granted to the Association, and any member of the Board, 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 Association Documents including the right to enter upon any unit to accomplish the foregoing including any work required by any applicable warranty.

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

a. in favor of all Owners so that they shall have no legal liability when any part of the Common Elements encroaches upon a Unit;

b. in favor of each Owner so that the Owner shall have no legal liability when any part of his Unit encroaches upon the Common Elements or upon another Unit; and

c. in favor of all Owners, the Association, and the Owner of any encroaching Unit for the maintenance and repair of such encroachments.

Encroachments referred to in this Section include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Improvements or any Unit constructed on the Property, by error in the Plat Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the Project. Such encroachments shall not be considered to be encumbrances upon any part of the Project; provided,

however, that encroachments created by the intentional act of an Owner shall not be deemed to create an easement on the Property and shall be considered an encroachment upon the Project. Such encroachment shall be removed at the Owner's expense immediately upon notice from the Association. In the event such encroachment is not timely removed, the Association may affect removal of the encroachment and the expense thereof shall be a default Assessment to the Owner.

7.7. 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 on the Common Elements, to build and maintain temporary walls, and to make such other use of the Common Elements as may be reasonably necessary or incident to any construction or warranty work on the Units or improvements on the Property provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment or access to the Project by the Owners.

7.8. 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 on the Property;
- b. Sales Management and Marketing. The right to conduct sales and marketing efforts on the Project including the installation of signs advertising the Project and models for sale;
- c. Construction Easements. The right to use easements through the Common Elements for the purpose of making improvements within the Project; and
- d. Control of Association and Board. The right to appoint or remove any officer of the Association or any Board of Director member so long as four or fewer Units remain unsold to Owners.

7.9. Additional Common Interest Ownership Section Adoption. Declarant adopts those sections of the Act referenced in C.R.S. § 38-33.3-117(1)(a) - (l) and (1.5)(a) - (n) to supplement this Declaration and apply to this Project.

ARTICLE 8

INSURANCE AND FIDELITY BONDS

8.1. Authority to Purchase. All insurance policies relating to the Improvements, Common Elements and Limited Common Elements shall be purchased by the Association or its duly

authorized agent. The Board, the Manager and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are available only at demonstrably unreasonable expense. In such event, the Board shall cause notice of such fact to be delivered to all Owners. Owners are responsible to acquire their own contents insurance in standard forms including sewer backup insurance.

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

8.3. Owner's Obligation to Purchase General Liability Insurance and Give Notice to Association. On request of the Association or its Manager, Owners shall supply the Association with the Declaration page of any Insurance Policy issued to an Owner for its liability, contents and sewer backup protection.

8.4. General Insurance Provision. All such insurance coverage obtained by the Board shall be governed by the following provisions:

a. As long as Declarant owns any Unit on which a certificate of occupancy has been issued, Declarant shall be protected by all such policies as an Owner. The coverage provided to Declarant under the insurance policies obtained in compliance with this Article shall not be deemed to protect or be for the benefit of any general contractor engaged by Declarant, nor shall such coverage be deemed to protect Declarant for (or waive any rights with respect to) claims.

b. The deductible amount, if any, on any insurance policy purchased by the Board may be treated as a Common Expense payable from an Annual Assessment or Special Assessments, or as an item to be paid from working capital reserves established by the Board; or alternatively, the 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. The Association may enforce payment of any amount due from an individual owner toward the deductible in accordance with that Article entitled Assessments, Sections entitled Special Assessments and Default Assessments below.

c. The insurance coverage described in this Article shall be considered minimum coverage and the Association shall be obligated to secure and maintain such other and/or additional coverage as may be required by law of C.R.S. Section 38-33.3-313 of the Act, which Section 313 is also applicable to supplement the provisions of this Article.

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

8.5. Physical Damage Insurance on Improvements. The Association shall obtain and maintain in full force and effect physical damage insurance on all Units and insurable Common Elements improvements 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). Such insurance shall afford protection against at least the following:

a. Loss of damage caused by fire and other hazards covered by the standard extended endorsement, and caused by debris removal, demolition, vandalism, malicious mischief, windstorm and water damage.

b. Such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

8.6. Provisions Common to Physical Damage Insurance.

a. In contracting for the policy or policies of insurance obtained pursuant to that Section entitled Physical Damage Insurance on Improvements above, the Board shall make reasonable efforts to secure coverage, which provides the following:

1. A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to this Declaration not to do so.

2. The following endorsements (or equivalent): cost of demolition contingent liability from operation of building laws or codes - increased cost of construction, and agreed amount or elimination of co-insurance clause

3. Periodic appraisals to determine replacement cost, as more fully explained in Article 8.6(b) below

4. A provision that no policy may be canceled, invalidated, or suspended on account of the conduct of any Owner (including Owner's tenants, servants, agents, invitees and guests), any member of the Board, officer, or the employee of the Association or Manager 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 corrected by the Association, Manager, any Owner or Mortgagee.

b. Prior to obtaining any policy of physical damage insurance or any renewal thereof, and at such other intervals as the Board may deem advisable, the Board shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then replacement cost of the property (exclusive of land, excavations, foundations and other items carried by the Association), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Article.

c. A duplicate original of the policy of physical damage insurance, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder, a Declaration Page, together with proof of payment of premiums and any notice issued under Article 8.6 (a) above, shall be delivered by the Association or its Insurer to any Mortgagee requesting the same, at least thirty (30) days prior to the expiration of the then current policy. The Mortgagee on any Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit. The Association and its Insurer shall not be responsible to monitor the names of any Mortgagee and shall only proceed based upon prior written notice from the Owner or the Mortgagee.

8.7. Liability Insurance.

a. The Board shall obtain and maintain in full force and effect comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage insurance with such limits as the Board may from time to time determine insuring each member of the Board, the Manager, each Owner, and the employees of the Association against any liability to the public or to the Owners (and their guests, invites, tenants, agents and employees) arising out of or incident to the ownership or use of the Common Elements. Such comprehensive policy of public liability insurance shall also cover contractual liability if available, liability for non-owned and hired automobiles, and if applicable, bailee's liability, garage keeper's liability, host liquor liability employer's liability insurance, and such other risks as shall customarily be covered with respect to projects similar to this Project in construction, location and use.

b. The Board shall review such limits once each year, but no event shall such insurance be less than \$1,000,000.00 covering all claims for bodily injury or property damage arising out of one occurrence. In the event the Manager of the Association acquires insurance for its managed facilities and projects, the Board may authorize insurance in such pool consistent with the insurance pool coverage. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

8.8. Fidelity Insurance. To the extent obtainable at reasonable cost, fidelity bonds may be obtained by the Association 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 delegated to a Manager, such coverage may be required for the Manager 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 fifty percent (50%) of the estimated annual operating expenses of the Association, including reserves. Such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions.

8.9. Provisions Common to Physical Damage Insurance, Liability Insurance and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of this Article shall be subject to the following provisions and limitations:

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

b. The policies shall provide that coverage shall not be prejudiced by: 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 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;

c. 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 or substantially modified or reduced (including cancellation for non-payment of premium) without at least thirty (30) days written notice to any First Mortgage of record against any Unit, and all insureds named in the policies;

d. The policies shall contain a waiver of subrogation by the insurer as to any and all claims against Declarant, the Board, the Association, the Manager 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; and

e. All policies shall be written with a company licensed to do business in Colorado and holding a rating of BNI or better in the financial category as established by A.M. Best Company, Inc., if reasonably available, or, if not reasonably available, the most nearly equivalent rating.

8.10. 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.

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

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

8.13. Insurance Obtained by Owners. Each Owner may obtain physical damage and liability insurance for such Owner's benefit, at such Owner's expense, covering personal property and personal liability (except to the extent any such Unit is encumbered by an easement conveyed to the Association as Common Elements), provided, however, Owners shall acquire standard liability insurance coverage to provide coverage for any assessment for the deductible liability of the Association in the event of any casualty caused by the act of the Owner or the Owner's invites. Contents and sewer backup coverage are optional coverages that an Owner may acquire in the Owner's sole discretion. In addition, an Owner may obtain such other and additional insurance coverage on the Unit as such Owner in the Owner's sole discretion shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners including Declarant, should Declarant be the Owner of any Unit.

The Board may require an Owner who purchases insurance coverage for the Owner's Unit (other than coverage for the Owner's personal property) to file copies of such policies with the Association within thirty (30) days after purchase of the coverage to eliminate potential conflicts with any master policy carried by the Association.

ARTICLE 9

ASSESSMENTS

9.1. Obligation. Declarant, for each Unit owned within the Property, hereby covenants and each Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments

or charges, (2) supplementary assessments, (3) special assessments, (4) improvement assessments, and (5) fines, such assessments and fines to be established and collected as herein provided. The Board may establish any reasonable system for periodic collection of common expenses, in advance or arrears, as deemed desirable and as are consistent with its Articles of Incorporation and its Bylaws. Expenses include, but are not limited to: insurance premiums for policies deemed desirable or necessary by the Association, landscaping; common lighting; all maintenance expenses, including but not limited to the exterior and roof; common water and utility charges, legal and accounting fees; expenses and liabilities incurred by the Association by reason of this Declaration; payment of any deficit remaining from a previous assessment period; the creation of a reasonable contingency or other reserve or surplus fund; and any other expense determined by the Board reasonably necessary to carry out the purposes of the Association. The failure of the Association to fix the assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners of their obligation to pay the same. The Association shall have the right, but not the obligation, to make pro rate refunds of any assessments in excess of the actual expenses incurred prior to the end of any fiscal year.

9.2. Periodic Assessments. Periodic Assessments for Common Expenses made shall be based upon the estimated cash requirements, as the Board shall from time to time determine to be paid by all of the Owners.

9.3. Apportionment of Periodic Assessments. Each Owner shall be responsible for that Owner's share of Common Expenses, which are to be, initially, determined in varying fashion depending upon the type or category of Common Expense. Initially the following Common Expenses shall be allocated as follows:

- a. Association Board administrative expenses — shared equally amongst Owners;
- b. Property Management expenses — shared equally amongst Owners;
- c. Snow Plowing expenses — shared equally amongst Owners;
- d. Common Area landscaping, irrigation and maintenance — shared equally amongst Owners;
- e. Exterior maintenance expenses (i.e., siding, painting, staining, and the like) - Owner expense shall be based upon that Owner's Unit's square footage as a percentage of the total square footage of all Units combined.

The Board shall determine the allocation of any other Common Area or Limited Common Area expense as it arises in a fashion consistent with the framework noted above.

Any extraordinary maintenance, repair or restoration work on, or Common Expense benefiting fewer than all of the Units or Limited Common Elements shall be borne by the Owners of those affected Units only. Any extraordinary insurance cost incurred as a result of the value of a particular Owner's Unit (or his or her agents, servants, guests, tenants or invitees) shall be borne by that Owner. Any Common Expense caused by the misconduct of any Owner shall be assessed solely against such Owner's Unit.

9.4. Supplementary Assessments. In the event the Board shall determine 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 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 Board will deliver a summary of the revised budget to any Mortgagee. Based on such revised budget, the Board may make a supplementary assessment for such fiscal year against each Unit.

9.5. 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 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 extraordinary maintenance, repair or restoration work on fewer than all of the Units shall be borne by the Owners of those affected Units only; and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of a particular Owner (or his agents, servants, guests, tenants or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owner(s), and no payment shall be due less than thirty (30) days after such notice shall have been given.

9.6. Default Assessment. All monetary fines assessed against an Owner pursuant to the Association Documents, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the

amount and due date of such Default Assessment shall be sent to the Owner subject to such Assessment at least thirty (30) days prior to that due date.

9.7. Time for Payment of Assessments. Periodic Assessments shall be payable on a prorated basis each calendar quarter in advance and shall be due on the first day of each quarter, or such other periods as the Board may determine, such as annually or monthly. As noted above, Special Assessments shall be due and payable within 30 days after written notice of the amount shall have been given to the Owner of a Unit. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Unit for the Assessment, but the date when the payment shall become due in such case shall be deferred to a date 30 days after the notice shall have been actually given. The interest rate specified in this section may be altered by the Association.

9.8. Effect of Nonpayment; Assessment Lien. Any Assessment installment, whether pertaining to any Periodic or Special Assessment, which is not paid within thirty (30) days after its due date, shall be delinquent. If any 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 may deem appropriate;
- b. Assess an interest charge from the date of delinquency at the yearly rate of four (4) points above the prime rate charged by the Association's bank, or such other rate as the Board may establish, not to exceed eighteen percent (18.0%) per annum;
- c. Suspend the voting rights of the Owner 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 automatically constitute a lien on such Unit, including any improvements on the Unit regardless of whether or not any written notice of such lien is filed for

record. This lien is ongoing and never discharged until the Association files with any authority or new proposed owner or Mortgagee, a waiver of such lien. To evidence the lien created under this Section, the Association, may, but is not required to, prepare a written notice setting forth the amount of the unpaid indebtedness, the amount of accrued penalty, the name of the Owner of the Unit, and a description of the Unit, and record the same in the Office of the Clerk and Recorder of Summit County, Colorado. The notice shall be signed and acknowledged by the President or a Vice-President of the Association or by the Manager, 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. At least ten (10) days after the Association mails the Owner such a notice, the Association may record the same in the office of the Clerk & Recorder of Summit County, Colorado. Such lien for Assessments shall attach from the date of the assessment notice whether a statement is subsequently recorded or not. The lien may be enforced by the Association in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of unpaid assessments, any penalties and interest, the cost and expenses of such proceedings, the costs and expenses for filing the notice of the claim and the lien, and all reasonable attorney's fees incurred by the Association in connection therewith. The Association shall have the power to bid on the Unit at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. In the event of any bankruptcy of any Owner, such lien shall be deemed a secured interest in the Unit and any Owner filing for bankruptcy shall list the Association as a secured creditor and give the Association notice of such bankruptcy in accordance with the bankruptcy laws in effect at the time.

9.9. Personal Obligation. The amount of any assessment chargeable against any Unit shall be a personal and individual debt of each Owner of that Unit. No Owner may exempt himself from liability for the assessment by abandonment of a Unit. Suit to recover 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 herein.

9.10. No Offsets. All assessments, penalties, fines, late fees, remedial action costs and collection costs shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association, the Board or the Committee is not properly exercising its duties and powers under this Declaration. To the extent Declarant advances monies for bona fide Association expenses, the Declarant shall be exempt from the requirements of this Section.

9.11. Waiver of Homestead Exemption. By accepting title to a Unit, each Owner shall thereby waive and release all rights the Owner may have in the Unit pursuant to any homestead exemption with respect to assessments made by the Association.

9.12. Personal Liability of Purchaser for Assessments. The grantee of title to a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the Unit up to the time of conveyance to purchaser, without prejudice to purchaser's right to recover from the seller the amount paid by the purchaser for these assessments.

9.13. 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 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, however, 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.

9.14. Subordination of Lien. The lien of Assessments provided for pursuant to this Declaration and chargeable to any Unit shall constitute a lien on such Unit and the improvements thereon superior to all other liens and encumbrances except (a) real estate taxes and special governmental assessment liens levied by any governmental authority, (b) liens and encumbrances recorded prior to the recordation of the Declaration, and (c) all sums unpaid on a first mortgage or deed of trust recorded before the accrual of the assessment lien, including all unpaid obligatory advances as may be provided by such encumbrances, except that the Association claims the priority for six (6) months assessment lien as granted in the Act. Seller's transfer of any Unit shall not affect the Association's lien except that the 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 asserted to all Units as a Common Expense at the direction of the Board. No sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the unit from the lien, any Assessments made after the sale or transfer.

9.15. Statement of Status of Assessment Payment. Upon payment of a reasonable fee to be set by the Association if desired, and upon the written request by any Owner, mortgagee, prospective mortgagee, or prospective purchaser of a Unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Unit. Unless such statement shall be issued within thirty (30) days, all unpaid assessments which become due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statement.

9.16. Assessment Reserves/Working Capital. Each Owner, other than the Declarant, at the time of purchasing a Unit, shall be required to deposit with the Association a working capital reserve deposit in an amount equal to one-quarter of the estimated annual assessments for the Unit, to be held without interest, which sum shall be used by the Association as a reserve for paying such Owner's assessments, for purchase of equipment and supplies, and for working capital of the Association. Payment of this working capital reserve deposit shall not relieve an Owner from making the regular payments of assessments as they become due. Upon the sale of a Unit, the Association shall not be obligated to return to the transferor any funds held in reserve nor shall the transferor be entitled to a credit from the purchaser for any unused portion of any funds held in reserve.

ARTICLE 10

DAMAGE OR DESTRUCTION

10.1. The Role of the Board of Directors. 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 8 Insurance and Fidelity Bonds, the Board shall arrange for and supervise the prompt repair and restoration of the damaged property (the property insured by the Association pursuant to Article 8 may be referred to as "Association-Insured Property").

10.2. 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 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 Board determines to be necessary.

10.3. 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.

10.4. 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 9 Assessments, specifically that Section named Supplementary 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 or repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair, replacement or reconstruction.

10.5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from any Special Assessments provided for above, constitute a fund for the payment of the costs or repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs or repair and reconstruction shall be made from insurance proceeds, and the balance from 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.

10.6. Decision Not to Rebuild Common Elements. If Owners representing at least sixty percent (60.0%) of the total allocated votes in the Association and sixty percent (60.0%) of the First Mortgagees (based on one (1) vote for each Mortgage which encumbers a Unit) and all directly adversely affected Owners agree in writing not to repair and reconstruct improvements within the Common Elements and if no alternative improvements are authorized, then the damaged property shall be restored to its natural state and maintained as an undeveloped portion of the Common Elements by the Association in a neat and attractive condition. Any remaining insurance proceeds shall be distributed in accordance with applicable laws.

ARTICLE 11

CONDEMNATION

11.1. Rights of Owners. Whenever all or any part of the Common Elements shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Common Elements is conveyed in lieu of a taking under threat of condemnation by the Board acting as attorney-in-fact for all Owners under instruction from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or

conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

11.2. Partial Condemnation, Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for those Owners for whom use of the Common Elements was conveyed, and the award shall be disbursed as follows: if the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant and Owners who represent at least sixty percent (60.0%) of the votes of all of the Owners shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Board and the Design Review Committee. If such improvements are to be repaired or restored, the provisions in the Article 10 Damage or Destruction above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such replacement is completed, then such award or net funds shall be distributed in equal shares per Unit among Owners, first to the Mortgagees, if any, and then to the Owners, as their interests appear.

11.3. Complete Condemnation. If all of the Property is taken, condemned or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in the Article 10 Section titled Disbursement of Fund for Repair and Reconstruction above.

ARTICLE 12

DURATION OF COVENANTS AND AMENDMENTS

12.1. Duration; 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 heir, personal representative, successor or assigns, with and for the benefit of 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 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 Project and (iv) the covenants, restrictions and obligations of this Declaration shall run with and bind the land in perpetuity.

12.2. Amendment. This Declaration, or any provision of it, may be amended in accordance with the following mechanisms:

a. By Owners. This Declaration may be amended at any time and from time to time upon written approval of the amendment by Owners who own sixty percent (60%) of the Units within the Properties based on one vote for each Unit, said vote occurring during a duly convened meeting in accordance with meeting restrictions as contained in the Association's Bylaws, subject to the restriction contained below in Section 12.3, if applicable. Any such amendment shall be effective upon the recording with the Clerk & Recorder of Summit County, Colorado, of the written amendment together with a duly authenticated Certificate of the Secretary of the Association certifying that the requisite numbers of Owners have given their written consent to the amendment. The Secretary must further certify that originals of such written consents by Owners, along with the recorded amendment, are in the records of the Association and available for inspection. Following such recording, this Declaration shall be revised in accordance with the amendment and republished, with the title noting "Revised and Amended".

b. Amendment by Declarant. Notwithstanding anything to the contrary contained in this Declaration, Declarant 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. In addition, Declarant reserves and is granted the right to record special amendments to the Declaration, the Articles of Incorporation and Bylaws of the Association at any time if Declarant determines that amendments shall be necessary in order for existing or future mortgages, deeds of trust, or other security instruments to be acceptable to any regulatory agency or authority governing such security instruments, or to conform with any amendments, modifications, revisions or revocations of the Town of Frisco, Unified Development Code, without obtaining the approval and Owners or First Mortgagees. Each such amendment of this Declaration shall be made, if at all, by Declarant prior to the conveyance of the last Unit owned by Declarant to an Owner other than Declarant.

12.3. Consent of Declarant Required. Notwithstanding any other provision in this Declaration to the contrary, any proposed amendment or repeal of any provision of this Declaration made prior to the termination of Declarant's control shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant of any certificate of amendment or repeal. The foregoing requirement for consent of

Declarant to any amendment or repeal shall terminate at such time as Declarant has transferred ownership of at least sixty-six percent (66.0%) of the Units to third parties.

12.4. Consent of Eligible Mortgagees. Amendments may be subject to the consent requirement of First Mortgagees as more fully set forth in Article 11 hereof.

12.5. Action to Challenge Amendment. No action shall be commenced or maintained to challenge the validity of any aspect of any amendment of the Association Declaration, Articles of Incorporation or Bylaws unless it is commenced within one year from the effective date of said amendment, unless fraud or willful negligence is asserted and proven.

12.6. Expenses. All expenses associated with preparing and recording an amendment shall be allocated in accordance with Section 38-33.3-217(6) of the Act.

12.7. Termination. Except in the case of a taking of all the Units by condemnation, Storm King Mountain Homes may only terminate the Declaration by agreement of Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated, as more fully set forth in Section 38-33.3-218 of the Act and the approval of at least sixty-seven percent (67%) of the First Mortgagees.

ARTICLE 13

PARTY WALL MAINTENANCE

13.1. Party Walls. Party Walls are common walls shared by a triplex Unit Owners. This Article applies only to the Owners of a triplex Unit. Single family detached Units do not have Party Walls and nothing in this Article shall apply to single family detached Units and Owners thereof.

13.2. Owner's Expense. Except as is otherwise provided hereinafter, the cost of reasonable repairs and maintenance of a Party Wall shall be a joint and sole expense of the Owners sharing said Party Wall and not the Association. Where the damage is clearly caused by one Owner, said Owner shall be solely responsible for the cost of repair.

13.3. Party Wall Repair and Maintenance. If a Party Wall, or any portion thereof, is damaged or destroyed, such damage or destruction, if possible, shall be promptly repaired. Repair and construction means the restoration of the Party Wall to substantially the same condition and configuration in which it existed prior to such damage or destruction. Said repair and maintenance shall be the joint expense of the Owners of the individual triplex Units and not the Association or other Owners. Without prejudice to the requirement to share the expense, any Owner shall have

the right to demand a larger contribution from the other Owner under any rule of law regarding liability for the negligent or willful acts or omissions of such other triplex Unit Owner.

13.4. Party Wall Modification. No extension or modification of a Party Wall may be made by any Owner, or person acting pursuant to such Owner's unless prior approval thereto, in writing, shall first have been obtained from the other Owner sharing said Party Wall and the Committee. Said approval shall not be unreasonably withheld.

13.5. Maintenance and Repair Easement. The triplex improvement, Units C, D, and E or as otherwise designated on the Plat, is subject to a blanket easement of support and blanket easement for the maintenance and repair for the Party Walls, improvements, utilities and other structures, presently situated on the Property. Each improvement and the triplex lot upon which it is situated, shall be subject to an easement in favor of the Owner sharing a common Party Wall for encroachments created by construction, settling and overhangs, previously existing or as designed and constructed and for the maintenance of same, so long as said improvements stand. In the event any improvement is partially or totally destroyed, and then rebuilt, the Owner of any adjacent improvements agree that minor and temporary encroachments of parts of the damaged and destroyed improvements due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist. There is hereby created a blanket easement upon, across, over and under each triplex Unit for the benefit of all Units of the triplex and the structures and improvements situated thereon including any Party Walls, for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephones, television, internet and electricity, provided however, that said easement shall be limited to situations in which access to a triplex Unit is not otherwise available. Said easement includes utility services not presently available to the triplex Units which may be installed in the future. By virtue of this easement, it shall be expressly permissible for the providing of electrical and/or telephone company requirements to erect and maintain the necessary equipment on the triplex Units and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of any improvements on the triplex Units.

ARTICLE 14

PROTECTIVE COVENANTS

14.1. 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, this Declaration and the Association's Documents establish affirmative and negative covenants, easements and restrictions

on the Property, subject to certain rights vested in the Board and the Owners to enable them to respond to changes in circumstances, conditions need and desires with the Project.

14.2. Authority to Promulgate Use Restrictions. Initial use restrictions applicable to the Project are set forth below. Amendment of these use restrictions requires a vote of three (3) of the five (5) Unit Owners. Provided, however, in accordance with the duty to exercise reasonable business judgment, the Board, with the consent of the Declarant during the period of Declarant Control, may adopt Rules and Regulations which modify, limit, create exceptions to or expand the initial use restrictions set forth in this Section.

14.3. Owners Acknowledgment. All Owners and related users of Units are given notice that use of their Unit is limited by provisions of each of the Association 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 restrictions upon the use and occupancy or a Unit may change from time to time.

14.4. Rights of Owners. The 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 or outside of 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 inside or outside of their Units of the kind normally displayed in units located in a residential project shall not be abridged, except that the Association may adopt reasonable time, place and limited 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 Unit, 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 or traffic, that create unsightly conditions visible outside the Unit, that block the views from other Units or that create an unreasonable source of annoyance.

e. **Pets.** The Association may adopt reasonable Rules and Regulations designed to minimize damage and disturbance to other Owners and occupants, including Rules and Regulations requiring waste removal, leash controls, noise controls, occupancy limits and fair share use of the Common Elements for Owners and Invitees.

Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to the health or safety of Owners, guests or invitees or from requiring abatement of any nuisance or unreasonable source of annoyance in the Board's sole discretion.

f. **Reasonable Rights to Develop.** No rule by the Association or Board shall unreasonably impede the Declarant's right to develop in accordance with the Property maps and 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 shall not apply to any such Owners without their written consent. However, all subsequent Owners and related users of the Unit shall comply with such rule.

14.5. **Limitations and Restrictions.** All Units shall be held, used and enjoyed subject to the following limitations and restrictions as set forth in this Declaration. The strict application of the following limitations and restrictions in any specific case may be modified or waived in whole or in part by the Board if such strict application would be unreasonable or unduly hard under the circumstances. Any such modification or waiver must be in writing and added to the then existing Rules and Regulations promulgated by the Board.

14.6. **Uses.** The Units may be used only for residential purposes and not for commercial purposes, except that an Owner may short-term rent the Unit and maintain an office within his residential structure on his Unit. This commercial prohibition specifically includes a prohibition against any type or form of commercial marijuana growing or supply operation, regardless of the claimed legality of such operation. No home occupation shall be carried on unless it conforms to the applicable Town of Frisco and Summit County zoning laws and the Owner has received the prior written approval of the Board.

14.7. **Improvements Prohibited.** No used or secondhand structure, no building of a temporary character, no mobile home, camper unit, house trailer, tent, or shack shall be placed or used on the Property, either temporarily or permanently. During construction of improvements on a Unit, temporary buildings or trailers may be used (but not for habitation) to the extent the Association has given prior approval.

14.8. Signs. No signs, poster, billboard, or advertising display, device or structure of any kind shall be erected or maintained on the Properties for any purpose whatsoever except such signs as have been approved by the Association and, if the law requires, by any applicable regulatory authority. Approval by the Association shall be given only if such signs shall be of attractive design and shall be as small a size as possible and shall be placed or located as directed by the Association. A sign advertising a Unit "for sale" (not "for rent") may be placed on such Unit; provided, however, that standards relating to dimensions, color, style and location of such sign shall be determined from time to time by the Board and shall comply with the local sign codes and with all other applicable statutes, ordinances and regulations. Declarant shall have the right to erect signs showing the availability of Units for sale.

Signs relating to elections or issues subject to a public vote shall be permitted for a period of sixty (60) days prior to and fifteen (15) days following the applicable election or public vote. Standards relating to dimensions, color, style and location of such sign shall be determined from time to time by the Board and shall comply with the local sign codes and with all other applicable statutes, ordinances and regulations.

14.9. Trash. No trash, ashes, other refuse, or debris may be dumped on the Property. The burning of refuse out-of-doors shall not be permitted. No incinerators or other device for the burning of refuse indoors shall be constructed, installed, or used by any person except as approved by the Association. Waste materials, garbage, and trash shall be kept in a common sanitary container and shall be screened from public view, protected from disturbance, and disposed of with reasonable promptness.

14.10. Animals. No animals, birds, reptiles, livestock, or poultry of any kind shall be raised, bred or kept on any Unit, except that dogs, cats and other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. No pet may be kept which interferes with the comfort or convenience of other Owners. No more than two (2) of any species, except newborns of less than twelve (12) weeks, may be kept by any Owner. No kennels, private or commercial, are allowed on any portion of the Common Areas or within any Unit. No animals shall be allowed to run free. This paragraph may be amended to make these rules more or less strict by adoption of revised rules and regulations by the Association, pursuant to its bylaws.

14.11. Noxious or Offensive Activity. No noxious or offensive activity shall be conducted upon any Unit, nor shall anything be done or placed on the Property which is or may become a nuisance or cause embarrassment, disturbance, or annoyance to other. The regular outside drying of laundry shall be prohibited under this paragraph.

14.12. Maintenance of Property. Every Unit, including its improvements, shall be maintained by the Owner in a clean, safe, and attractive condition and in good repair; no lumber, plant waste,

metals, bulk materials, scrap, refuse, or trash shall be kept, stored or allowed to accumulate on or around any Unit.

14.13. Annoying Lights, Sounds or Odors. No lights shall be emitted from any Unit which are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any Unit which is unreasonably loud or annoying; no odor shall be emitted from any Unit which is noxious or offensive to others.

14.14. Fences. No fence, walls, or other barrier shall be permitted except with the prior written consent of the Association and, if required by law, any other applicable regulatory authority.

14.15. No Hunting. No hunting, target practice, or discharge of firearms is allowed anywhere on the Properties.

14.16. Landscaping — Natural State. Removal of living trees, plants, shrubs, bushes, sagebrush, grass, or topsoil is not permitted without the prior written consent of the Association.

14.17. Vehicles. No vehicles of any kind shall be parked or left overnight in any area not specifically designated for parking of such vehicles pursuant to Article 5 hereof. No motor home, trailer, camper, or boat shall be parked or stored or operated upon a Unit for a period of longer than seventy-two (72) hours without written permission from the Board or Association. No abandoned or unused vehicles may be kept anywhere on a Unit.

14.18. Underground Utility Lines. All utility lines, within the limits of the Properties except temporary utility lines, must be buried underground and may not be carried on overhead poles nor above the surface of the ground. Such utilities include, but are not limited to water, gas, electric, telephone, intercoms, and television cable.

14.19. Towers and Antennas. No towers or radio or television antennas higher than the roof line of the dwelling house shall be erected on any Unit, and all such towers or antennas must be submitted for prior approval by the Association, Committee or Board in accordance with Article 6, Section 2. Microwave dishes may be erected on or attached to any Unit only upon prior written approval of the Association.

14.20. Timeshare Restriction. No Owner of any Unit shall offer or sell any interest in such Unit under a "timesharing" or "interval ownership" plan, or any similar plan without the prior specific written approval of the Association, Declarant (during the period of Declarant's control as described further herein this Declaration) and the Town of Frisco, which approval shall be in addition to the applicable ordinances of the Town of Frisco.

14.21. Owner Caused Damages. If, due to the act or neglect of any Owner or such Owner's Guests, loss or damage shall be caused to any person or property, such Owner shall be liable and responsible for the payment of same. The amount of such loss or damage, together with costs of collection and reasonable attorneys' fees, if necessary, may be collected by the Association or Board from such Owner in accordance with Article 4 hereof. Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this paragraph shall be made by the Association and shall be final.

14.22. Restoration in the Event of Damage or Destruction. In the event of damage to or destruction of any Unit or previously approved Improvement, the Owner thereof shall, within a reasonable period of time, subject to the approval of the Design Review Committee, either: (a) cause the damaged or destroyed Unit or Improvement to be restored or replaced to its original condition or such other condition as may be approved in writing by the Design Review Committee; or (b) cause the damaged or destroyed Unit or Improvement to be demolished and the Unit or Improvement be suitably landscaped, so as to present a pleasing and attractive appearance.

14.23. Compliance with Laws. Nothing shall be done or kept on the Properties in violation of any law, ordinance, rule or regulation of any governmental authority having jurisdiction.

14.24. Restriction on the Sale of a Unit. The right of an Owner to sell, transfer or otherwise convey his or her Unit, whether improved or not, shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions.

14.25. Restriction on the Mortgaging of a Unit. There are no restrictions on the right of an Owner to mortgage or otherwise encumber his or her Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

14.26. Temporary Use by the Declarant. Notwithstanding any provision herein contained to the contrary, during the period of construction and sale is shall be expressly permissible for the Declarant and/or its agents to maintain upon the Properties, without charge, such facilities as may be reasonably required, convenient or incidental for construction or sales purposes, including, but not limited to, a business/construction office in a model house or trailer, storage areas, construction yard, or signs. It shall also be permissible during the construction of Improvements to a Declarant owned Unit, reasonable and necessary temporary structures for storage of materials to be erected and maintained by the Declarant or its designees. Such temporary storage structures shall be removed upon completion of the construction, alteration or remodeling. No maintenance of such facilities or use or activity by Declarant or its designees shall unreasonably interfere with the access, enjoyment or use of the Properties; nor shall any activity be conducted which might be unsafe, unhealthy or hazardous to any person. This right of use shall terminate at the option of the Declarant by its written notice to the Board, but, in any event, such reservations shall terminate

without further act or deed not later than the completion of all Improvements to the Properties. Until the termination of this right of use as provided for above, any amendment to this paragraph must have prior written assent of the Declarant.

14.27. Resubdivision. No Unit described on the Plat shall ever be resubdivided into smaller tracts or Units nor conveyed nor encumbered in any less than the full original dimensions as shown on the recorded Plat.

ARTICLE 15

ENFORCEMENT PROCEEDINGS

15.1. Enforcement. Except as otherwise provided in this Declaration, the Board, Declarant or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Additionally, any such violation shall give the Declarant or Board the right, in addition to any other rights set forth therein, (i) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure or condition that may exist therein in violation of the Declaration or rules adopted by the Board without being deemed guilty in any manner of trespass or any other civil or legal violation and (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach, with each Owner or other persons constructing improvements upon the Property hereby waiving the posting of a bond upon entry of such injunction. All reasonable attorney's fees and costs incurred by the Declarant or the Association in a suit to enforce the terms thereof shall, if said Declarant or Association be in such an action, be recoverable from the hosting party.

No provision relating to arbitration shall be valid and enforceable against the Association unless the Board specifically authorizes such arbitration in a contract related to the business of the Association.

The Board of Directors of the Association is a non-paid voluntary position and its members are volunteers and entitled to the immunity provided for by Colorado law at C.R.S. §13-21-115.5 Volunteer Service Act.

15.2. Failure to Enforce. Failure to enforce any provision of this Declaration or other Association Documents shall not operate as a waiver of any such provision or of any other provision of this Declaration.

ARTICLE 16

GENERAL PROVISIONS

16.1. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions.

16.2. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land. This Declaration may be amended in accordance with the provisions contained in Article 12 of this Declaration. As noted therein, any amendment must be recorded in the office of the Clerk & Recorder of Summit County, Colorado before it will be binding on the Owners.

16.3. Mailing of Notices. All notices, demands or other notices intended to be served upon an Owner shall be sent by ordinary First Class or certified mail, postage prepaid, or via electronic means if available, addressed in the name of such Owner according to the Association's records. All notices, demands or other notices intended to be served upon the Board, Association or Declarant shall be sent, if available by electronic means, or by ordinary First Class or certified mail, postage prepaid, to:

Darren Nakos
Storm King Development Company
PO Box 630
Frisco, CO 80443

a. Any Owner may, by notice in writing, provide the Association with a different address for mail to such Owner, which shall be used by the Association in lieu of such an address above provided.

b. Any First Mortgagee, upon written request, shall be entitled to notice from the Association under the same circumstances as its mortgagor, at such address as such mortgagee shall provide by such notice.

c. Any notice provided herein shall be deemed given when deposited postage prepaid in the United States mail.

d. Nothing herein shall prohibit the Board or any Owner from modifying these notice rules to incorporate the use of electronic mail delivery in lieu of hard copy United State mail.

16.4. Management Agreement. The Association is authorized to enter into a Management Agreement on behalf of the Association with the Declarant or any other person it may select to manage and maintain the Common Areas. In the event the Declarant is the party selected to maintain and manage the Common Areas, such Management Agreement must be approved by sixty percent (60%) of the then Unit Owners. Any Management Agreement shall not bind the Association for more than one year at a time, and shall provide that it may be terminated by the Association upon sixty (60) days' written notice.

16.5. Rights of Declarant. Any rights reserved by Declarant, except those rights it may have as an Owner, shall automatically be assigned to the Association two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business, unless assigned sooner.

16.6. References to Municipal and County Standards. Wherever in this Declaration there is a reference to Town of Frisco or Summit County applicable land use regulations, zoning, any plats approved by the County or any other federal, state or local rule, law or regulation, such references shall automatically be waived, released, modified or amended, as the case may be, to correspond with any subsequent waiver, release, modification or amendment of such regulations, zoning, other County standard, approval resolutions, plats or any other rule or law.

Executed as of the ___ day of _____, 20__.

STORM KING DEVELOPMENT COMPANY, a
Colorado corporation

BY: DARREN NAKOS

By: _____
Darren Nakos, President

STATE OF COLORADO)
) ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by Darren Nakos, President, Storm King Development Company, a Colorado corporation.

WITNESS my hand and official seal.
My commission expires _____

Notary Public

**EXHIBIT A
TO
CONDOMINIUM DECLARATION
STORM KING MOUNTAIN HOMES**

STORM KING MOUNTAIN HOMES, A RESUBDIVISION OF LOTS 21 THRU 24, BLOCK
24, FRISCO TOWNSITE AMENDED

To be known as

UNITS A-E, STORM KING MOUNTAIN HOMES, ACCORDING TO THE PLAT THEREOF
RECORDED _____, 2022, UNDER RECEPTION NO. _____ COUNTY
OF SUMMIT, STATE OF COLORADO

**EXHIBIT B
TO
CONDOMINIUM DECLARATION
STORM KING MOUNTAIN HOMES**

Easements and Licenses of Record

8. RESERVATIONS AS CONTAINED IN UNITED STATES PATENT RECORDED JANUARY 11, 1892 IN BOOK 62 AT PAGE 562 AND RERECORDED APRIL 25, 1975 IN BOOK 264 AT PAGE 727 UNDER RECEPTION NO. 148106.

9. NOTES, DEDICATIONS, AND EASEMENTS SET FORTH ON THE PLAT FOR FRISCO TOWNSITE AMENDED RECORDED FEBRUARY 11, 1966 UNDER RECEPTION NO. 104210.

10. NOTES, DEDICATIONS AND EASEMENTS SET FORTH ON THE PLAT RECORDED _____, 2022 UNDER RECEPTION NO. _____.

11. 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 _____, 2022, UNDER RECEPTION NO. _____.

**BYLAWS
OF
STORM KING MOUNTAIN HOMES HOMEOWNERS' ASSOCIATION**

RECITALS

Storm King Mountain Homes Homeowners' Association, Inc., a Colorado nonprofit corporation ("Association"), certifies that:

The Association desires to adopt initial Bylaws;

The Bylaws of the Association are hereby adopted as follows:

ARTICLE 1
OBJECT & PURPOSES

1.01 These Bylaws are adopted for the regulation and management of the affairs of the Association. The Association has been organized as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act to act as the association under the Declaration of Restrictive Covenants for Storm King Mountain Homes, as may be amended and restated ("Declaration").

1.02 The purpose for which the Association is formed is to operate and govern the community known as Storm King Mountain Homes in the County of Summit, Colorado, described in the Declaration of Covenants, Conditions, and Restrictions for Storm King Mountain Homes recorded _____, 2022, under Reception No. _____ of the Summit County records, to provide for the administration, maintenance, preservation and design review of the Units within the Community; and to promote the health, safety, welfare and recreation of the Owners within the Community.

ARTICLE 2
DEFINITIONS

2.1 Definitions. The definitions in Article 3 of the Declaration of Covenants, Conditions and Restrictions for Storm King Mountain Homes ("Declaration") as amended from time to time and recorded in the office of the Clerk and Recorder of Summit County, Colorado shall apply to these Bylaws, and all defined terms used in the Bylaws shall have the same meaning as defined terms used in the Declaration. Units are freestanding structures or may contain a Party Wall and the structure and land on which it is built constitutes the Unit. Every Unit has beneficial rights in common walkways and open space.

2.2 Assent. All present or future Owners, their families, present or future tenants and their guests and invitees, and any other person using a Unit in any manner are subject to the Association Documents, including these Bylaws. The acquisition or rental of any of the Units on the Property, or occupancy of any improvement located thereon shall constitute ratification and acceptance of these Bylaws.

ARTICLE 3
MEMBERSHIP, VOTING,
MAJORITY OF OWNERS, QUORUM, PROXIES

3.1 Membership. Any person on becoming an Owner of a Unit shall automatically become a member of the Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership in the Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident to membership.

3.2 Voting. Each member or group of members, owning a Unit shall be entitled to one vote for each Unit owned. Except as otherwise specifically provided in the Declaration, an affirmative vote of the members representing a majority of the total votes present, and constituting a quorum, either in person or by proxy, shall be required to transact business or to adopt decisions binding on all Unit Owners. The requirements herein contained in these Bylaws shall be first met before an Owner shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

3.3 Quorum. A quorum shall be constituted by members present in person or by proxy representing at least sixty percent (60%) of all votes.

3.4 Proxies. Votes may be cast in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxies must be filed with the Secretary-Treasurer before the appointed time of the meeting. No single proxy shall be valid for more than one meeting, but a proxy for a certain meeting shall be valid for any portion of a meeting which is reconvened after a recess or postponement.

3.5 Required Proxies. If title to a Unit is held by more than one person or by a firm, corporation, partnership, cooperative association, association, or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the Owner himself might cast if he were personally present.

3.6 Suspension of Voting Rights. During any period in which an Owner shall

be in default in the payment of any assessment, including interest, fines, late fees, attorney fees and costs, levied by the Association, the voting rights of such Owner may be deemed suspended by the Board of Directors, without notice or hearing, until such has been paid. Such rights of an Owner may also be suspended, after notice and the opportunity for a hearing, during any period of violation of any other provision of the Governing Documents.

3.7 Transfer of Membership. Transfers of membership shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Unit to which the membership is appurtenant.

ARTICLE 4 ADMINISTRATION

4.1 Place of Meetings. Meetings of the Association shall be held at such place in Summit County as the Board of Directors may determine.

4.2 Annual Meetings. The first annual meeting of the Association shall be held in the month of _____, and thereafter the annual meetings of the Association shall be held on a day and at a time designated by the Board of Directors.

4.3 Special Meetings. It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors or upon presentation to the Secretary-Treasurer of a petition signed by Owners representing two (2) Units. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

4.4 Notice of Meetings. It shall be the duty of the Secretary-Treasurer to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. Notice of any meeting of the unit owners shall be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting of the unit owners shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices that may be given. The association is encouraged to provide all notices and agendas required by this article in electronic form, by posting on a website or otherwise, in addition to printed form. If such electronic means are available, the association shall provide notice of all regular and special meetings of unit owners by electronic mail to all unit owners who so request and who furnish the association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before the meeting.

ARTICLE 5
BOARD OF DIRECTORS

5.1 Number and Qualification. Until the first annual meeting of the Association, the affairs of this Association shall be governed by the Directors named in the Articles of Incorporation. At the first annual meeting of the Association, there shall be elected a Board of Directors which shall consist of between three (3) and five (5) persons, all of whom shall be members of the Association, and thereafter the Board of Directors shall consist of the number so determined.

5.2 Election of Board Members. The candidates for the Office of Director shall be elected by members entitled to vote. A majority of the eligible votes cast, either in person or by proxy at an Annual or Special Meeting of the members at which a quorum is present, shall determine an election of a Director.

5.3 Powers and Duties. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class neighborhood.

5.4 Other Powers and Duties. Without limitation, the Board of Directors shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration and supplements thereto.

(b) To establish and enforce such reasonable rules and regulations as may be necessary for the operation and occupancy of the Units with the right to amend them from time to time. The Owners may, in addition, either at any annual meeting or at a special meeting called for this purpose, amend the rules and regulations and may adopt new rules and regulations. Rules and regulations amended or adopted by the Owners may only be changed by the Owners. A copy of all rules and regulations shall be delivered or mailed to each member promptly upon adoption thereof, or upon becoming an Owner.

(c) To obtain and maintain comprehensive liability insurance covering claims against the Association for personal injury and property damage arising out of a single occurrence in the amount of \$1,000,000.00.

(d) To fix, levy, and collect the assessments to be paid by each of the Owners towards the common expenses of the Association and to adjust the assessments based on current needs, past operating history, and reasonable reserves for contingencies and capital expenses. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses, or additional capital expenses, or because of emergencies.

(e) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws.

(f) To protect and defend the Association from loss and damage by suit or otherwise.

(g) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(h) To keep and maintain full and accurate books and records showing all of the receipts and disbursements and to permit examination thereof at any reasonable time by each of the Owners and their mortgagees.

(i) To meet at least annually

(j) In general, to carry on the administration of this Association.

5.5 No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, or other provisions of the Declaration, the Bylaws, or the rules and regulations adopted pursuant thereto, shall not constitute a waiver, modification, or release thereof, and the Board of Directors shall have the right to enforce them thereafter.

5.6 Election and Term of Office. At the first annual meeting of the Association the term of office of one Director shall be fixed for one year; the term of office for two Directors shall be fixed for two years. At the expiration of the initial term of office for each respective Director, his successor shall be elected to serve a term of two years. The Directors shall hold office until their qualified successors have been elected and hold their first meeting.

5.7 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. Each vacancy shall be filled consistent with the qualifications set forth in paragraph 1 of this Article IV.

5.8 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the members, and, consistent with the qualifications set forth in Section 5.1 of this Article 5, a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

5.9 Organizational Meeting of Directors. The Board of Directors shall hold an organizational meeting within ten days after the annual meeting of the Association at such place as shall be fixed by the Board of Directors at the annual meeting, and no notice shall be necessary to the incumbent or the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.10 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or facsimile [email?] device at least fourteen (14) days prior to the day named for such meeting.

5.11 Special Meetings. Special meetings of the Board of Directors may be called by the President on seven (7) days notice to each Director given personally, or by mail, telephone or email delivery, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary-Treasurer in like manner and on like notice on the written request of two Directors.

5.12 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.13 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, but if less than such a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

5.14 Manner of Acting. Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE 6
BOOKS, RECORDS &
FISCAL MANAGEMENT

6.01 Inspection. Any Owner of a Unit may inspect the records of receipts and expenditures of the Board of Directors during normal weekday business hours, and, upon ten (10) days written notice to the Board of Directors and payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

6.02 Current Records. The Association shall keep the following records at its principal place of business:

- a. An account for each Unit, which shall designate the name and address of each Owner, the amount of each assessment, the dates on which each comes due, any other fees payable by the Owner as assessments, the amounts paid on the account and the balance due;
- b. An account for each Owner showing any other fees payable by the Owner;
- c. A list of the names and addresses of all Members in alphabetical order showing the number of votes allocated to each;
- d. Financial statements, audits and reviews of the Association prepared for periods ending during the previous three years;
- e. The current operating budget;
- f. A record of any unsatisfied judgments against the Association and the existence of any pending suits in the Association is a defendant;
- g. A record of insurance coverage provided for the benefit of Owners and the Association;
- h. Tax returns for state and federal income taxation;
- i. Minutes of meetings of the Owners, Directors, committees and waivers of notice, if any, for the past three years;
- j. Copies of at least the three most recent years' correspondence between the Association and Owners;
- k. Copy of most recent annual report, if any; and
- l. Copies of the most current versions of the Governing Documents, along with their exhibits and schedules.

6.03 Permanent Records. The Association shall keep the following records permanently:

- a. Minutes of all meetings of Owners and the Board;
- b. Records of all actions taken by Owners or the Board by written ballot

or written consent without a meeting;

c. Record of all actions taken by a committee of the Board in place of the Board; and

d. Record of all waivers of notices of meetings of Members, the Board or a committee of the Board.

ARTICLE 7 COMMITTEES

The Board of Directors may appoint committees as in their judgment are necessary. The Board shall initially appoint the Design Review Committee to serve and function as set forth elsewhere in these Association Documents. The head of the Design Review Committee shall **not** be the same individual as the President of the Association.

ARTICLE 8 OFFICERS

8.1 Designation. The officers of the Association shall be a President, Vice President and a Secretary-Treasurer. The President shall be elected by and from the Board of Directors; all other officers, and such assistant officer positions as the Board of Directors may, from time to time, direct be filled, shall be elected by the Board from the members of the Association. Any two (2) offices, except the offices of the President and Secretary-Treasurer, may be held by the same person.

8.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each Board and shall hold office at the pleasure of the Board.

8.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or any special meeting of the Board called for such purpose.

8.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees, except as is otherwise provided in these Bylaws, from among the Owners from time to time as he may in his discretion decide is appropriate.

8.5 Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall

appoint some other Director to act in the place of the President on an interim basis. The Vice President shall also perform other duties as may be imposed by the Board of Directors or by the President.

8.6 Secretary-Treasurer. The Secretary-Treasurer shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the Office of Secretary-Treasurer.

The Secretary-Treasurer shall compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the number or other appropriate designation of the Unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

The Secretary-Treasurer shall keep the financial records and books of account of the Association.

ARTICLE 9 INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify each Director AND officer, their respective successors, personal representatives and heirs, against all losses, costs, and expenses, including attorney fees, reasonably incurred by them in connection with any action, suit, or proceeding to which they may be made a party by reason of being or having been a Director or officer of the Association, except as to matters as to which such person(s) shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of, or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense.

ARTICLE 10 OBLIGATION OF THE OWNERS

All Owners shall be obligated to pay the assessments imposed by the Association to meet all of the expenses incurred by this Association. An Owner shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of Owners, within the meaning of these Bylaws, if and only if he shall have fully paid all assessments made or levied against him and the Unit owned by him.

ARTICLE 11
SERVICES

The Association shall initially provide the following services to be paid for from the common expenses, which may be amended or supplemented from time to time by the Board of Directors:

1. Enforcement of the protective covenants
2. Providing snowplowing of Common and Limited Common areas
3. Maintenance of the Common Areas
4. Determination of need and authorization of Limited Common area maintenance
5. Authorized improvements of the Common Area
6. Water expense accounting and reimbursement the Unit Owner who supplies water for Common Area landscaping water usage
7. Any other matters of common interest to Owners

ARTICLE 12
AMENDMENTS TO BYLAWS

These Bylaws may be amended by majority vote of the Board of Directors of the Association at a meeting duly constituted for such purpose. The Unit Owners may, at any annual meeting, or a special meeting called for such purpose, amend these Bylaws by a majority vote of the total votes present and constituting a quorum. Any such amendment adopted by the Unit Owners may only be changed by the Unit Owners.

ARTICLE 13
MAILING ADDRESS

The Owner of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demand, and all other communications, and such registered address shall be the address of the Unit, unless that Owner by written notice to the Association specified another mailing address to be used by the Association. Unit Owners may also provide email addresses to the Association for the receipt of all communications.

ARTICLE 14
ABATEMENT AND ENJOINMENT
OF VIOLATIONS BY OWNERS

The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw, or the breach of any provisions of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth therein, to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE 15
NON-PROFIT

This Association is not organized for profit. No member, member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Directors; provided, however, (1) after Board approval, reasonable compensation may be paid to any member or Director while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, but not for merely serving as a Director, and (2) any member or Director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

This compensation restriction or prohibition shall in no way impact the ability of the Association to engage a Manager, Property Manager or the like to serve as caretaker of the Project and its related obligations and for that Manager, Property Manager or like to be compensated for such supervision, caretaking and management services provided.

ARTICLE 16
EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute on behalf of the Association any and all instruments of conveyance under the provisions of the Declaration shall be the President, the Vice President and the Secretary-Treasurer of the Association.

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Secretary-Treasurer of the corporation does hereby certify that the above and foregoing Bylaws received approval of two-thirds (2 / 3rds) of the members of the Board of Directors at a meeting held on _____, for such purpose, and that they do now constitute the Bylaws of the corporation.

ATTEST: Storm King Mountain Homes Homeowners' Association, Inc.

Secretary-Treasurer

Date