

THE PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION

NOTICE TO OWNERS

March 21, 2017

The Board of Directors (the “Board”) of the Plaza at Wood Creek Condominium Association (the “Association”) hereby provides this notice (this “Notice”) to the owners (the “Owners”) that the District Court for Gunnison County, Colorado approved the amended and restated declaration (the “Amended Declaration”) that the Association previously approved on June 10, 2016, on December 8, 2016. The Amended Declaration was recorded in the real property records of Gunnison County, Colorado, on January 12, 2017, at Reception No. 644353, and is effective as of that date, a copy of which is attached this this Notice as **Exhibit A**.

1. Insurance Update

In connection with the Amended Declaration, the Board provides this Notice to the Owners of the Association as a reminder that new Owner insurance requirements as specified in Section 9.2 of the Amended Declaration are now in effect. In sum, the original 1982 declaration (the “Original Declaration”) vaguely stated that the Association was to maintain insurance that is similar to that which is “customarily covered with respect to other buildings, fixtures, equipment and personal property.” The Original Declaration further stated that the Owners were to maintain insurance on the “furnishings, personal property, and improvements and additions,” which left the distinction between the Association and the Owner’s responsibility for insurance largely unclear.

The Amended Declaration clearly delineates the Owner and Association insurance responsibilities in Article 9. In sum, the Association is responsible for carrying property insurance on common elements and the units “excluding, however, the finished interior surfaces of the walls, floors and ceilings of the Unit and any improvements or betterments installed in the Units” Owners are responsible for insuring its Unit, which includes all of these things that are excluded from the Association’s policy. This means that each Owner’s property insurance must cover not just contents and personal property, but also things like wall finishes, floor coverings, cabinets, bathroom fixtures and interior partitioning walls and doors between living spaces in a unit. Please verify with your insurance company that your policy is in compliance with the requirements of Article 9 of the Amended Declaration and **provide proof of insurance coverage, as required by Section 9.2(d) of the Amended Declaration, to Greg Melear at CBMR at gmelear@cbmr.com. no later than May 1, 2017.**

2. Notice of Amendment of Bylaws

Pursuant to Article XIV of the existing Bylaws, the Board provides this Notice to the Owners of the Association of its intent to amend the existing Bylaws at a special meeting of the Board on **Friday, April 7, 2017, at 9 a.m.** (the “Special Meeting”). The proposed Amended and Restated Bylaws are attached as **Exhibit B** to this Notice.

3. Notice of Adoption of Rules and Responsible Governance Policies

Pursuant to Section 4.8 of the Amended Declaration, the Board provides this Notice to the Owners of the Association of its intent to adopt, at the Special Meeting, (i) the Rules and Regulations attached as **Exhibit C** to this Notice and (ii) the Responsible Governance Policies attached as **Exhibit D** to this Notice. The Board will hold an open forum for comments by the Owners to the Rules and Regulations and Responsible Governance Policies at the Special Meeting. **Owners may participate in the Special Meeting by dialing the number 302-202-1119 and using the following passcode: 269909.**

EXHIBIT A

COPY OF THE RECORDED AMENDED DECLARATION

[See attached]

AMENDED AND RESTATED CONDOMINIUM DECLARATION

FOR

THE PLAZA

AT

WOOD CREEK

January 12, 2017

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1/12/2017 12:41:49 PM 2 of 47

Gunnison County, CO

TABLE OF CONTENTS

ARTICLE 1 GENERAL	2
1.1 <u>Amendment and Restatement</u>	2
1.2 <u>Definitions</u>	2
ARTICLE 2 CREATION OF THE CONDOMINIUM PROJECT; UNITS AND ALLOCATIONS	7
2.1 <u>Name</u>	7
2.2 <u>Division of Property</u>	7
2.3 <u>Designation of Boundaries</u>	7
2.4 <u>Allocations</u>	8
ARTICLE 3 EASEMENTS	8
3.1 <u>Easements Benefiting Owners</u>	8
3.2 <u>Easements Benefiting Association</u>	8
3.3 <u>Easements for Encroachments</u>	9
3.4 <u>Easements to Repair, Maintain, Restore and Reconstruct</u>	9
3.5 <u>Easements for Utilities and Mechanical Equipment</u>	9
3.6 <u>Right of Entry</u>	10
3.7 <u>Association's Right to Grant Easements and Licenses</u>	10
3.8 <u>Easements Run with Property</u>	10
3.9 <u>Other Recorded Easements and Licenses Affecting the Property</u>	10
ARTICLE 4 COVENANTS, CONDITIONS AND RESTRICTIONS	10
4.1 <u>Administration</u>	10
4.2 <u>Compliance</u>	11
4.3 <u>Residential Units</u>	11
4.4 <u>Employee Housing</u>	11
4.5 <u>Commercial Unit</u>	11
4.6 <u>Prohibited Uses Generally</u>	11
4.7 <u>Manner of Use</u>	13
4.8 <u>Rules</u>	14
4.9 <u>Indemnity</u>	14
4.10 <u>Provisions Run with Property</u>	15
ARTICLE 5 OPERATION, MAINTENANCE AND REPAIR	15
5.1 <u>Association's Duties</u>	15
5.2 <u>Owners' Duties</u>	16
5.3 <u>Maintenance Standard</u>	16
ARTICLE 6 THE ASSOCIATION AND BOARD	16
6.1 <u>Membership</u>	16
6.2 <u>Powers</u>	17
6.3 <u>Budget</u>	18
6.4 <u>Indemnification of Directors</u>	19
ARTICLE 7 ASSESSMENTS	20
7.1 <u>Annual Assessments</u>	20
7.2 <u>Special Assessments</u>	21
7.3 <u>Reimbursable Expenses</u>	22
7.4 <u>Working Capital</u>	22
7.5 <u>Payment of Assessments; Notice and Acceleration</u>	22
7.6 <u>Enforcement of Assessments</u>	23

644353

1/12/2017 12:41:49 PM 3 of 47

Gunnison County, CO

TABLE OF CONTENTS

7.7	Disputes and Records	24
7.8	Owners not Exempt from Liability	24
ARTICLE 8	ALTERATIONS	24
8.1	Permitted Unit Alterations	24
8.2	Construction	25
8.3	Alteration of Common Elements	26
ARTICLE 9	INSURANCE; CASUALTY; CONDEMNATION	26
9.1	Association's Insurance	26
9.2	Owners' Insurance	28
9.3	Waiver of Claims	30
9.4	Proceeds	30
9.5	Casualty	30
9.6	Condemnation	30
ARTICLE 10	AMENDMENT	31
10.1	Required Votes	31
10.2	Amending Documents	32
ARTICLE 11	MORTGAGEE PROVISIONS	32
11.1	No Priority	32
11.2	Notice to Mortgagees	32
ARTICLE 12	CONVEYANCING AND ENCUMBRANCING	33
12.1	Units	33
12.2	Common Elements	33
12.3	New Owner Liability	33
12.4	Estoppel Certificates	34
ARTICLE 13	ENFORCEMENT	34
13.1	Enforcement Generally	34
13.2	Additional Enforcement Rights of the Association	34
13.3	Prerequisites to Owner Enforcement	35
13.4	Mediation	35
13.5	No Waiver	35
13.6	Attorney's Fees	35
ARTICLE 14	GENERAL PROVISIONS	36
14.1	CCIOA; Severability	36
14.2	Termination	36
14.3	Interpretation of Declaration	36
14.4	Notices	36
14.5	Partition	36
14.6	Taxation of Units	37
EXHIBIT A	- COMMON ALLOCATIONS	A-1
EXHIBIT B	- EASEMENTS AND LICENSES	B-1
EXHIBIT C	- DECEMBER 8, 2016 ORDER	C-1

644353

1/12/2017 12:41:49 PM 4 of 47

Gunnison County, CO

**AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR
THE PLAZA AT WOOD CREEK**

THIS AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR THE PLAZA AT WOOD CREEK (this "Declaration") is made as of January 12, 2017, by THE PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION, a Colorado nonprofit corporation (the "Association").

RECITALS

A. Pursuant to that certain Condominium Declaration for The Plaza at Wood Creek, recorded in the Records (as defined below in Section 1.2) on January 22, 1982, at Reception No. 365068 (the "Original Declaration") and that certain Condominium Plat for The Plaza at Wood Creek, recorded in the Records on January 22, 1982, at Reception No. 365068 (the "Map"), a condominium was established on the "Property" (as defined below in Section 1.2) pursuant to which the Property was divided into individual airspace units designated for separate ownership and common elements designated for common ownership by the owners of the individual airspace units.

B. The Property includes a seven-story building containing 60 residential units along with commercial space and employee housing. The Property also includes certain amenities, including two tennis courts (the "Tennis Courts"), a hot tub, a sauna and a steam room on the ground level (collectively, the "Spa"), an outdoor hot tub on the third level (the "Outdoor Hot Tub"), and the "Conference Room" (as defined below in Section 1.2). The Property also includes a parking garage (the "Parking Garage") and a small number of surface parking spaces located at the entrance to the Parking Garage and adjacent to the covered driveway and entrance (collectively, the "Parking Spaces").

C. The Association is the "Association of Unit Owners" or the "Association" under the Original Declaration, and governs the administration of the Property.

D. In accordance with C.R.S. § 38-33.3-118, the Association has elected to have the Project governed by the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*, as amended from time to time ("CCIOA"), as evidenced by that certain Statement of Election into the Colorado Common Interest Ownership Act recorded in the Records immediately prior to this Declaration.

E. The District Court for Gunnison County, Colorado approved this Declaration in the December 8, 2016 Order on Petition for Judicial Amendment of Declaration in *Mazloom v. The Plaza at Wood Creek Condo Association, Inc.*, no. 2015 CV 30018, a copy of which is attached to this Declaration as Exhibit C.

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644353

1/12/2017 12:41:49 PM 5 of 47

Gunnison County, CO

DECLARATION

ARTICLE 1
GENERAL

1.1 Amendment and Restatement. The Association, with the required approvals as evidenced by the certification attached hereto, hereby amends and restates the Original Declaration in its entirety. The Property shall be subject to the terms, conditions, covenants, restrictions and other provisions of this Declaration, all of which shall be a burden upon and run with title to the Property. From and after the recording of this Declaration, the terms of this Declaration shall supersede and control over the Original Declaration in all respects.

1.2 Definitions. The following initially-capitalized, defined terms have the respective meanings set forth below:

“**Amended Budget Notice**” is defined in Section 7.1(b).

“**Annual Assessments**” is defined in Section 7.1.

“**Annual Operating Assessment**” is defined in Section 7.1(a).

“**Annual Replacement Assessment**” is defined in Section 7.1(a).

“**Articles**” means the Articles of Incorporation of the Association, as may be amended from time to time.

“**Assessments**” means Annual Assessments and Special Assessments.

“**Association**” means The Plaza at Wood Creek Condominium Association, a Colorado nonprofit corporation.

“**Board**” means the Board of Directors of the Association.

“**Board Recommended Amended Budget**” is defined in Section 7.1(b).

“**Board Recommended Budget**” is defined in Section 6.3(a).

“**Budget Notice**” is defined in Section 6.3(b).

“**Building**” means the building located on the Property.

“**Bylaws**” means the Amended and Restated Bylaws of the Association, as may be amended from time to time.

“**CCIOA**” is defined in Recital D.

“**Central Mechanical Equipment**” means all Mechanical Equipment other than the Unit Mechanical Equipment. The Central Mechanical Equipment constitutes a part of the Common Elements.

644353

1/12/2017 12:41:49 PM 6 of 47

Gunnison County, CO

“**Commercial Unit**” means Unit 35, which is designated as “commercial” on the attached Exhibit A.

“**Common Allocation**” means, with respect to each Unit, the percentage allocated to the Unit as set forth on Exhibit A. The Common Allocation for each Unit is calculated by multiplying a fraction, the numerator of which is the Measured Area of the Unit and the denominator of which is the total Measured Area of all Units.

“**Common Alteration**” is defined in Section 8.3(b).

“**Common Elements**” means all portions of and areas within the Condominium Project that are not part of the Units. A portion of the Common Elements may be referred to as a “Common Element.” For example, without limitation, the roof, the structural elements, ground floor and first floor lobbies, stairs, pedestrian walkways, windows, exterior doors, the Parking Garage, the Parking Spaces, the Employee Housing, the Conference Room, and all landscaping at the Condominium Project are Common Elements. In addition, each balcony connected to a Residential Unit, the patio immediately adjacent to the Commercial Unit, the Elevators, the Recreational Amenities, and the ski lockers are Common Elements.

“**Common Expenses**” means, except for those costs and expenses expressly excluded below, all costs, expenses and financial liabilities incurred by the Association pursuant to this Declaration, the Articles or the Bylaws including, without limitation: all costs of operating, managing, administering, securing, protecting, insuring, heating, ventilating, lighting, decorating, cleaning, maintaining, repairing, renewing, replacing or restoring (to the extent not covered by insurance or condemnation proceeds) the Common Elements, including the Central Mechanical Equipment; all costs of providing water, sewer, waste and wastewater disposal, trash removal, telecommunications, electronic communications, television, electricity, natural gas and other services, energy and utilities to or from the Common Elements and the Association’s personal property and equipment located in, or used in connection with the operation or maintenance of, the Common Elements; all costs of providing utility services to the Units to the extent not charged directly to the Unit Owners by the service provider; taxes on any property owned by the Association; funding of working capital and reasonable reserves for Common Expenses; legal, accounting and other professional services fees and charges of the Association (to the extent not specifically due and payable by a particular Owner pursuant to the terms hereof), and any other expense or liability approved by the Owners as part of a Final Budget for the common good of the Project.

“**Common Window Cost**” is defined in Section 7.2(b).

“**Condominium**” means a Unit, together with the undivided interest in the Common Elements and all Easements, rights, licenses and appurtenances allocated or made appurtenant to the Unit pursuant to this Declaration.

“**Condominium Project**” means the condominium, as defined in Section 103(9) of CCIOA, created by this Declaration and Map and consisting of the Property and all improvements located thereon.

“Conference Room” means that conference room located on the ground level of the Project, which is labeled as “Unit 32” on the Map. Notwithstanding the fact that the Conference Room is labeled on the Map as a “Unit,” the Conference Room is part of the Common Elements.

“Declaration” means this Amended and Restated Condominium Declaration for The Plaza at Wood Creek.

“Delinquency Costs” is defined in Section 7.5.

“Direct Window Cost” is defined in Section 7.2(b).

“Easements” means all easements that burden or benefit the Condominium Project or a portion of it, including (i) easements established or granted under this Declaration; (ii) easements which first burdened or benefited the Property before the Recording of this Declaration as described on the attached Exhibit B; and (iii) easements which first burden or benefit the Property after this Declaration is Recorded.

“Elevators” means the two elevators servicing the Condominium Project, including the airspace shaft for the elevators, the cab of the elevators and all mechanical equipment exclusively servicing the elevators. The Elevators are a part of the Common Elements.

“Eligible Holder” means a holder, insurer or guarantor of a First Mortgage who provides the Association written request for copies of notices to the Owners from the Association, stating the name and address of such holder, insurer or guarantor and the address of the Unit to which its First Mortgage relates.

“Employee Housing” means those residential apartments that are labeled as “Unit 36”, “Unit 37” and “Unit 38” on the Map. Notwithstanding the fact that the residential apartments comprising the Employee Housing are each labeled on the Map as a “Unit,” the Employee Housing is part of the Common Elements.

“Final Budget” is defined in Section 6.3(b).

“First Mortgage” means a Mortgage that is Recorded and has priority of record over all other liens except those liens made superior by statute (*e.g.*, general ad valorem tax liens, special assessments and mechanics’ liens).

“First Mortgagee” means the holder, from time to time, of a First Mortgage on any Unit or Units as shown by the Records. If there is more than one holder of a First Mortgage, the holders shall be treated as, and act as, one First Mortgagee for all purposes under this Declaration, the Articles and the Bylaws.

“Fiscal Year” means the fiscal accounting and reporting period of the Association selected by the Board from time to time.

“Indemnity Claims” is defined in Section 4.9.

644353

1/12/2017 12:41:49 PM 8 of 47

Gunnison County, CO

“Managing Agent” means the manager or management company retained by the Association from time to time to provide management services to the Association, which may include maintenance and repair of the Common Elements, and administrative services such as budgeting and collection of Assessments, among other matters.

“Map” is defined in Recital A.

“Measured Area” means for each Unit the area in square feet of all floor space included in the Unit, measured according to the boundaries of the Unit (as described in Section 2.3).

“Mechanical Equipment” means all plumbing, HVAC, hot water, electrical and/or mechanical equipment that generates utility or other services benefiting the Condominium Project or portions thereof.

“Mortgage” means an unpaid or outstanding mortgage, deed of trust, deed to secure debt or any other form of security interest encumbering a Unit.

“Operating Fund” means the net assets available for payment of Common Expenses and other expenditures of the general operations of the Association.

“Original Declaration” is defined in Recital A of this Declaration.

“Outdoor Hot Tub” is defined in Recital B of this Declaration.

“Owner” means a Person or Persons owning fee simple title to a Unit from time to time.

“Parking Garage” is defined in Recital B of this Declaration.

“Parking Spaces” is defined in Recital B of this Declaration.

“Permitted Unit Alteration” is defined in Section 8.1.

“Permittee” means a Person, other than an Owner, rightfully present on or in rightful possession of a Unit or Common Element, or a portion of a Unit or Common Element; including, without limitation, (i) a tenant of an Owner or the Association; (ii) an agent, employee, customer, contractor, licensee, guest or invitee of an Owner, the Association, or a tenant of either of them; or (iii) an agent, employee or contractor of the Managing Agent.

“Person” means a natural person, corporation, partnership, limited liability company, trust or other entity, or any combination of them.

“Property” means Lodge Site 16, Lodge Site Areas, Town of Mt. Crested Butte, County of Gunnison, State of Colorado, and all improvements located thereon.

“Records” means the real property records maintained by the Clerk and Recorder of Gunnison County, Colorado; to **“Record”** or **“Recording”** means to file or filing for recording in the Records; and **“of Record”** or **“Recorded”** means recorded in the Records.

“Recreational Amenities” means the Tennis Courts, the Spa and the Outdoor Hot Tub.

“Reimbursable Expenses” is defined in Section 7.3.

“Replacement Fund” means the net assets available for major repairs, replacements and capital expenditures of the Association.

“Residential Unit” means each Unit designated as residential on the attached Exhibit A.

“Rules” means the policies, procedures, rules and regulations that the Board adopts from time to time, in accordance with the procedures set forth in Section 4.8.

“Security for an Obligation” means the vendor’s interest in an installment land contract, the mortgagee’s interest in a Mortgage, the beneficiary’s interest in a deed of trust, the purchaser’s interest under a sheriff’s certificate of sale during the period of redemption, or the holder’s or beneficiary’s interest in a lien.

“Security Holder” means any Person owning or holding a Security for an Obligation encumbering a Condominium, including any First Mortgagee.

“Spa” is defined in Recital B of this Declaration.

“Special Assessments” is defined in Section 7.2.

“Taking” is defined in Section 9.6.

“Tennis Courts” is defined in Recital B of this Declaration.

“Unit” means an individual airspace within the Condominium Project designated for separate ownership. Each Unit is designated for separate ownership in this Declaration, and its boundaries are described in Section 2.3. The definition of “Unit” excludes all Common Elements, including, without limitation, any Common Elements passing through or existing partly or wholly inside the boundaries of the Unit (*e.g.*, any ducts, pipes flues, chases or equipment serving portions of the Condominium Project other than the Unit). There are two types of Units: Residential and Commercial.

“Unit Mechanical Equipment” means the Mechanical Equipment located within and generating service for exclusively a single Unit, as well as Mechanical Equipment located outside a Unit, but exclusively serving the Unit. Unit Mechanical Equipment is a part of the Unit in which it is located or the Unit which it exclusively serves. In no event shall Unit Mechanical Equipment be defined to include any Central Mechanical Equipment or any Utility/Service Elements.

“Utility/Service Elements” is defined in Section 2.3(c).

“Working Capital” is defined in Section 7.4.

644353

1/12/2017 12:41:49 PM 10 of 47

Gunnison County, CO

ARTICLE 2
CREATION OF THE CONDOMINIUM PROJECT:
UNITS AND ALLOCATIONS

2.1 Name. The name of the Condominium Project is "The Plaza at Wood Creek."

2.2 Division of Property; Maximum Number of Units. The Property is divided into the Units (identified by number on Exhibit A) and Common Elements. The Units are designated for separate ownership and the Common Elements are designated for common ownership solely by the Owners. The Condominium Project consists of 60 Residential Units and 1 Commercial Unit. No additional Units may be created.

2.3 Designation of Boundaries.

(a) Unit. The upper boundary of each Unit is the unfinished surface of the dry wall forming the ceiling of the top level contained in such Unit. The lower boundary of each Unit is the unfinished surface of the top of the floor slab or subfloor immediately beneath the lowest level contained in such Unit. The side boundaries of each Unit are generally the unfinished interior surface of the wallboard or plasterboard forming a part of the perimeter walls of the Unit as depicted on the Map. Without limiting the generality of Section 8.3, no Owner may remove, penetrate or do anything to otherwise impair the fire-separation capability or acoustical separation capability of any perimeter wall forming the boundary of any Unit.

(b) Structural Elements. All structural elements within the Condominium Project, wherever located, are Common Elements, even if such structural elements are otherwise located within a Unit boundary.

(c) Utility/Service Elements. Any shafts, chutes, flues, ducts, vents, chases, pipes, wires, conduits or utility lines that transmit, carry or deliver utilities or other services (collectively, "Utility/Service Elements") are part of the Common Elements. Any Utility/Service Elements that exclusively serve a single Unit but that are not located entirely within the Unit are allocated to the exclusive use of that Unit. In no event shall Utility/Service Elements be deemed to include the Unit Mechanical Equipment.

(d) Unit Mechanical Equipment. Each Unit includes its Unit Mechanical Equipment, wherever located.

(e) Improvements in Unit. Subject to Sections 2.3(b), 2.3(c) and 2.3(d) above, all spaces, interior partitions and other fixtures and improvements within the boundaries of any Unit, including without limitation, any doors not penetrating the boundary of the Unit, are a part of the Unit.

(f) Penetrations. Where a Unit boundary is penetrated by an opening (*e.g.*, a flue, chase, window, or door), the boundary at such penetration is the surface which would result from the extension of the nearest adjacent surface comprising the boundary that is penetrated by the opening. With respect to doors forming a part of the boundary of a Unit, all doors, door frames, locks, and other hardware and similar items are part of the

644353

1/12/2017 12:41:49 PM 11 of 47

Gunnison County, CO

Common Elements. With respect to windows forming a part of the boundary of a Unit, all glass, glazing, sills, frames, locks, screens and other hardware and similar items forming the windows are part of the Common Elements. In each case, even if such window and door components extend beyond the vertical plane of the Unit boundary and penetrate into the air space within the Unit, such items are part of the Common Elements.

(g) Conflicts with the Map. In the event of any conflict between the Map and the terms of this Section 2.3, the terms of this Section 2.3 shall control.

2.4 Allocations.

(a) Ownership of Common Elements. Each Unit is allocated an undivided percentage interest in the Common Elements equal to its Common Allocation.

(b) Liability for Common Expenses. Except as provided for in Section 7.2, each Unit is allocated, and the Owner of the Unit is liable for, a portion of all Common Expenses equal to the Unit's Common Allocation. All other costs and expenses of the Association are allocated among the Units as otherwise provided in this Declaration (such as the allocation of Reimbursable Expenses set forth in Section 7.3).

(c) Votes in the Association. In all matters coming before the Association for which a vote of the Owners is required, each Unit is allocated a vote equal to its Common Allocation. In cases where a Unit is owned by more than one individual or a legal entity such as a corporation, limited liability company, partnership or trust, the Board may require a written authorization from such Owner stating who is entitled to vote on behalf of the Owner of such Unit. Notwithstanding the foregoing, the Association is not entitled to any votes for any Unit(s) it owns.

ARTICLE 3
EASEMENTS

3.1 Easements Benefiting Owners. Each Owner, and its Permittees, has a non-exclusive Easement over and through those portions of the Common Elements reasonably necessary for ingress and egress to such Owner's Unit and for use of all of the Common Elements for their intended purpose, subject in each case to the terms and conditions of this Declaration and the Rules. To the extent that any Unit is allocated the exclusive use of a particular Common Element pursuant to this Declaration (such as, for example, a balcony attached to a Residential Unit, pursuant to Section 4.7(d)), the Owner of that Unit has an Easement for the exclusive use and enjoyment of that Common Element. Notwithstanding any provision of this Declaration to the contrary, whenever an Owner has an Easement to use any Common Element pursuant to this Declaration, and regardless of whether the Easement is deemed exclusive or nonexclusive, the right of the Owner and its Permittees to use that Common Element is subject to the Easements described in Sections 3.2 through 3.8.

3.2 Easements Benefiting Association. The Association, the Managing Agent and their Permittees have nonexclusive Easements over and across the Common Elements, and over and across other portions of the Condominium Project to gain access to the Common Elements, as reasonably necessary or convenient for the Association and Managing Agent, acting through

their respective Permittees, to exercise their rights and perform their obligations under this Declaration, including, without limitation, their rights and obligations to enforce this Declaration and the Rules and to operate, manage and control the Common Elements. Without limiting the generality of the previous sentence, the Association, the Managing Agent and their respective Permittees have an Easement to enter each Unit to the extent reasonably required to operate, manage and control any Common Elements within the boundaries of the Unit (such as structural elements under Section 2.3(b)) or as reasonably necessary to perform other maintenance and repair duties imposed on the Association by this Declaration. Except in the case of emergency situations concerning threatened injury or damage to persons or property, the Association, the Managing Agent and their respective Permittees shall not enter into any Unit pursuant to the Easement established under this Section 3.2 without giving reasonable advance notice to the occupant (whether the Owner or its Permittees) thereof.

3.3 Easements for Encroachments. If, as a result of the construction, reconstruction, shifting, settlement, restoration, rehabilitation, alteration or improvement of the Condominium Project or any portion of it, any Common Element encroaches upon any part of any Unit, or any part of any Unit encroaches upon any Common Element or upon any part of another Unit, an Easement exists for the continued existence and maintenance of the encroachment. Without limiting the foregoing, such easement shall specifically allow for the presence of any structural elements (which are Common Elements) within the boundaries of a Unit, pursuant to Section 2.3(b). The Easement shall continue for so long as the encroachment exists and shall burden the Unit or Common Element encroached upon and benefit the encroaching Unit or Common Element. No Easement exists for any encroachment that is materially detrimental to or interferes with the reasonable use and enjoyment of the Common Element(s) or Unit(s) burdened by the encroachment.

3.4 Easements to Repair, Maintain, Restore and Reconstruct. With respect to any provision of this Declaration or CCIOA that authorizes or requires any Person (including, without limitation, the Association) to repair, maintain, restore or reconstruct all or any part of any Unit or Common Element, Easements exist as necessary or convenient to gain access and perform the authorized or required work to the portions of the Condominium Project requiring repair, maintenance, restoration or reconstruction, with persons, materials and equipment to the extent and for the periods reasonably necessary to enable the Person to perform the authorized or required work. Without limiting the generality of the previous sentence, the Association, acting through any authorized member of the Board, the Managing Agent or its Permittees, has an Easement to enter each Unit to the extent reasonably required to repair and maintain any Common Elements located in the Unit. The Easements created under this Section 3.4 burden those portions of the Condominium Project through which they run and benefit the Persons authorized or required to perform, and those portions of the Condominium Project requiring, the repair, maintenance, restoration or reconstruction. Except in the case of emergency situations concerning threatened damage to persons or property, no Person shall enter into any Unit pursuant to the Easement established under this Section 3.4 without giving reasonable advance notice to the occupant (whether the Owner or its Permittees) thereof.

3.5 Easements for Utilities and Mechanical Equipment. An Easement exists for the benefit of each Unit and Common Element for the use of all Utility/Service Elements and the Central Mechanical Equipment that serve the Unit or Common Element and run through any

644353

1/12/2017 12:41:49 PM 13 of 47

Gunnison County, CO

other Unit(s) or Common Element(s). The other Unit(s) or Common Element(s) are burdened by the Easement. In addition, an Easement exists for the benefit of each Unit for the existence of any of its Unit Mechanical Equipment that is located within the Common Elements.

3.6 Right of Entry. The Association and the Managing Agent have an easement for the right, but not the obligation, to enter upon any portion of the Project: (i) for emergency, security and safety reasons; and (ii) for the purpose of ensuring compliance with this Declaration, the Articles, the Bylaws and the Rules. Such right may be exercised by any authorized member of the Board, or the Permittees of either the Association or the Managing Agent, and, for emergency, security and safety purposes, all police, fire and ambulance personnel and other similar emergency personnel in the performance of their duties. This right of entry shall include the right to enter upon any Unit to cure any condition that may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure such condition within a reasonable time after requested by the Association, but shall not authorize entry into any Unit without permission of the occupant (whether the Owner or its Permittees), except by emergency personnel acting in their official capacities.

3.7 Association's Right to Grant Easements and Licenses. Notwithstanding anything to the contrary in this Declaration, the Association, acting through the Board and without the approval of the Owners, may grant easements over the Common Elements for installation and maintenance of utilities, drainage facilities and roads and for other purposes that benefit the Owners. In addition, the Association, acting through the Board and without the approval of the Owners, may grant licenses over certain portions of the Common Elements as the Board deems necessary or appropriate, including without limitation a license over the deck attached to the Commercial Unit.

3.8 Easements Run with Property. All Easements existing pursuant to this Article 3 are appurtenant to and run with the Property and shall be perpetually in full force and effect so long as the Condominium Project exists and inure to the benefit of and are binding upon the Association, Owners, Permittees, Security Holders and any other Persons having any interest in the Condominium Project or any part of it. The Units shall be conveyed and encumbered subject to all Easements set forth in this Article 3, whether or not specifically mentioned in the conveyance or encumbrance.

3.9 Other Recorded Easements and Licenses Affecting the Property. The recorded easements and licenses identified on Exhibit B and easements created by the Map, if any, affect the Property.

ARTICLE 4 **COVENANTS, CONDITIONS AND RESTRICTIONS**

4.1 Administration. The Condominium Project shall be administered in accordance with the provisions of CCIOA, this Declaration, the Articles, the Bylaws and the Rules. Subject to Section 4.4 and the obligations of the Owners under Section 5.2, all Common Elements are subject to the reasonable supervision, operation, management and control of the Association.

4.2 Compliance. Each Owner, Permittee and Security Holder and all parties claiming under them shall take and hold their right, title and interest in any Unit subject to and shall comply with all of the covenants and conditions of CCIOA, this Declaration, the Articles, the Bylaws and the Rules, as amended from time to time.

4.3 Residential Units. Except as otherwise provided below and subject to the other terms and conditions contained herein, each Residential Unit may be occupied and used only for: (i) residential uses and uses incidental to them; (ii) subject to Section 4.7 below, rentals of the entire Unit for residential purposes; and (iii) home occupations permitted by applicable zoning laws, so long as such use is incidental to residential use of the Residential Unit, does not involve use of the Residential Unit by any employee or independent contractor (other than the Owner of the Unit), does not involve regular commercial deliveries to or from the Unit other than small packages shipped by an express courier service, does not involve regular visits to the Residential Unit by any customers or prospective customers, does not materially increase the use of any Common Elements, and is not advertised or identified by signage on any directory in the Condominium Project. Except as expressly provided for above, no Residential Unit may be used for any commercial, professional, industrial or manufacturing purposes.

4.4 Employee Housing. Each apartment comprising the Employee Housing may be occupied and used only as an employee living space restricted to "long-term rental" use. "Long-term rental" means a rental for a period of not less than month-to-month, intended primarily for the occupancy of Persons employed within the Town of Mt. Crested Butte and claiming Mt. Crested Butte, Colorado, as a domicile. All occupancy of the Employee Housing shall be subject to the same use restrictions, prohibited uses and rules and regulations as the Residential Units; provided, however, that in no event may the Employee Housing be used for any short-term rentals.

4.5 Commercial Unit. Except as otherwise provided in this Article 4, the Commercial Unit may be used for any purposes and uses permitted under applicable zoning laws; *provided, however,* that the Commercial Unit shall not be used in a manner that has a materially adverse impact on the use and occupancy of the Parking Garage or the flow of traffic within the Parking Garage. In order to facilitate use and occupancy of the Commercial Unit, the Board may, in its sole discretion, grant the Owner of the Commercial Unit a license to use the Parking Spaces on terms approved by the Board.

4.6 Prohibited Uses Generally. Uses other than permitted uses listed in this Article 4 are prohibited. Without limiting the generality of the foregoing and in addition to other uses prohibited by this Article 4, the following uses are prohibited:

- (a) Timeshare and Vacation Club Restriction. No Unit may be used for the creation, operation of or participation in any "time share estate" as defined in C.R.S. § 38-33-110, as amended from time to time, or any other time share, interval ownership, vacation club, destination club, non-equity membership program or similar program, estate or interest in the Unit, no matter how described or classified, including, but not limited to, one by which a purchaser, investor, tenant, licensee or holder of any interest in an ownership entity owning such a Unit obtains the right to exclusive use of the Unit on a recurring basis for a certain period of time or has the right, as a member of a

destination club, non-equity membership program, vacation club or similar club or organization, to make reservations to use the Unit, as a result of membership in such a destination club, non-equity membership program, vacation club or similar club or organization. Nothing in this Section 4.6(a) may be construed as prohibiting a Unit from being owned by a corporation, partnership, limited liability company or other entity or as a tenancy-in-common or other co-ownership arrangement where multiple parties hold an ownership interest in such entity or in the Unit so long as the purpose of the creation or holding of such interests and the transfer of such interests to third parties is not to market, sell or utilize those interests as a part of a commercial enterprise. This restriction is in no way intended to limit an Owner's ability to place that Owner's Unit in a rental program pursuant to Section 4.7(c) below.

(b) Insurance Risks. No Unit may be used for any use which would constitute an unusual fire hazard, would result in jeopardizing any insurance maintained on any part of the Condominium Project or would result in any increase in the premium for that insurance.

(c) Barbecue Grills. No charcoal grills may be used on the balconies except to the extent otherwise allowed by the Rules from time to time.

(d) Antenna. Antennas and satellite dishes may be installed within the Project only in accordance with the Rules.

(e) Hot Tubs. Except for the Spa and Outdoor Hot Tub, no hot tub, Jacuzzis, spas or similar items may be placed on any exterior portion of the Property.

(f) Parking. All parking is subject to the Rules. Subject to availability on a first-come, first served basis, each Owner and its Permittees are permitted to park no more than one motor vehicles in the Parking Garage at any given time, except as provided in the Rules.

(g) Overloading. No Unit or Common Element may be used for any use beyond the maximum loads the floors of the Unit or Common Element are designed to carry. Further, no Unit or Common Element may be used for any use which would place any extraordinary burden on any Common Element, unless the Board gives its prior written consent.

(h) Nuisance. No Unit or Common Element may be used for any use (i) constituting a public or private nuisance; (ii) consisting of the manufacture of any product; or (iii) which causes undue odor, noise, vibration or glare, including, without limitation, the use of any equipment or machine. No entertainment system in a Unit may be operated in a manner that is audible from within any other Unit.

(i) Violation of Law. No portion of the Condominium Project may be used for any use which violates any federal, state or local law, statute, ordinance, rule, regulation or order of any governmental authority having jurisdiction over the Condominium Project, including, without limitation, any of them that regulate or concern hazardous or toxic waste, substances or materials.

4.7 Manner of Use. The occupation and use of the Condominium Project by each Owner, the Association and their respective Permittees are subject to the following restrictions:

(a) Animals. Animals, livestock, insects, rodents, poultry, reptiles, birds or other pets are allowed in the Project only in accordance with the Rules.

(b) Long Term Leases. Each Owner may lease its Unit if (i) the lease is for a period of 90 consecutive days or longer, (ii) the lease is in writing, and (iii) the lease is expressly made subject to this Declaration. Any such lease shall provide that any breach of this Declaration by the tenant shall also be a breach of the lease. As to each lease, the Owner shall, within a reasonable time after execution of such lease, provide the Association with (i) a copy of the fully executed lease; (ii) the current address and telephone number of the Owner and contact information for the tenant under the lease; and (iii) a statement by the Owner that the tenant has received a copy of this Declaration, any material amendments to this Declaration, the Articles and the Bylaws and the current Rules, and that the tenant has been advised that he or she may have obligations under those documents as a Permittee. The Board may make reasonable Rules regarding the leasing of Units.

(c) Short Term Rentals; Non-Rental Agreement. Any rental or lease of a Residential Unit for less than 90 consecutive days is expressly prohibited, unless it is arranged for by a rental management company designated by the Association, which may be the Managing Agent or another company. Any such designated rental management company shall apply any terms and conditions of participation in the short-term rental program uniformly to all Residential Units that participate in such program. If an Owner of a Residential Unit does not desire to rent out its Unit for short term rentals, such Owner must enter into a reasonable agreement with the designated rental management company that specifies things such as check-in and check-out procedures for the Owner and its Permittees and the terms upon which such rental management company shall provide services such as housekeeping or maintenance to the Unit, if so desired by the Owner from time to time. The restriction contained in this Section 4.7(c) is imposed in an effort to provide a consistent guest experience for short term rentals, staffing for the front desk within the Condominium Project and a method to identify people who are authorized to be in the Condominium Project and those who are not. Notwithstanding the foregoing, the Association, for itself and the Managing Agent, disclaims all responsibility to ensure the security and safety of persons and property within the Condominium Project and no person shall be entitled to rely upon the staffing of the front desk or other security measures that may be taken by the Association or the Managing Agent as a guarantee of safety and security of persons and property.

(d) Building Exterior; Balconies and Decks. The use of each balcony that is accessible from a Residential Unit is reserved solely for the Owner of that Residential Units and their Permittees, as designated on the Map. For example, the balcony labeled on the Map as "Balcony – L.C.E. Unit 239" is reserved solely for the use of Unit 239. Except to the extent that the Association grants the Owner of the Commercial Unit a license to use it, use of the deck attached to the Commercial Unit is reserved to the Association. Notwithstanding anything contained herein to the contrary, unless approved

644353

1/12/2017 12:41:49 PM 17 of 47

Gunnison County, CO

by the Board, nothing may be installed, attached or otherwise affixed to or on the exterior of the Building, any balcony or the railing on any balcony, provided that flags shall be permitted to the extent required under Section 38-33.3-106.5, C.R.S. Furniture used on balconies shall be specifically designed and built for exterior use.

(e) Signs. No signs may be displayed to the public view from any Common Elements except signs permitted pursuant to CCIOA.

(f) Refuse Removal. All rubbish, garbage and debris shall be regularly removed from and shall not be allowed to accumulate on the Condominium Project in accordance with the Rules of the Association and must be deposited in the trash dumpsters. All trash, garbage and other debris generated on and awaiting removal from the Condominium Project shall be kept in sanitary containers in accordance with the Rules of the Association.

(g) Obstruction of Common Elements. Except as provided for herein, nothing may be stored in or on the Common Elements, except in designated storage areas as depicted on the Map, without the Board's prior written consent. Nothing may obstruct or otherwise impair access to the Common Elements.

(h) Locks. The Managing Agent shall keep a pass key to all Units for emergency use only. For purposes of the foregoing, "emergency use" shall mean there is an imminent danger to persons or property. No Owner shall alter his Unit entrance door lock or install a new or additional lock without informing the Managing Agent and supplying the Managing Agent with a pass key. No lock boxes or similar devices shall be used in the Project.

(i) Recreational Amenities. The use of the Recreational Amenities is reserved solely for Owners of the Residential Units and their Permittees, as well as the Association's tenants in the Employee Housing. In no event may the Owner of the Commercial Unit or its Permittees use the Recreational Amenities.

4.8 Rules. In addition to the restrictions, conditions and covenants in this Article 4 concerning the use of the Condominium Project, the Board from time to time may promulgate and amend reasonable Rules not in conflict with CCIOA, this Declaration, the Articles or the Bylaws. To the extent not covered elsewhere in the Declaration, the Articles or the Bylaws, such Rules shall include responsible governance policies as required by CCIOA. Prior to the adoption or amendment of any Rule, the Board must give written notice to each Owner containing the proposed Rule or amendment to a Rule and the date of the Board meeting when the proposed Rule or amendment shall be considered. The Owners must be allowed a reasonable opportunity to be heard at such Board meeting regarding such proposed new or amended Rule.

4.9 Indemnity. Subject to Section 9.4, each Owner shall be liable to and shall protect, defend, indemnify and hold harmless the Association and the other Owners from and against any and all damages, claims, demands, liens (including, without limitation, mechanics' and materialmen's liens and claims), losses, costs and expenses (including, without limitation, reasonable attorneys' fees, court costs and other expenses of litigation) and liabilities of any kind

or nature whatsoever (collectively referred to as "Indemnity Claims") suffered or incurred by, or threatened or asserted against, the Association or any other Owner as a result of or in connection with (a) the willful misconduct, negligence or breach of CCIOA, this Declaration, the Articles, the Bylaws or the Rules by the indemnifying Owner or its Permittees; (b) any repair, restoration, replacement, alteration or other construction, demolition, installation or removal work on or about the Condominium Project contracted for, or performed by, the indemnifying Owner or its Permittees; or (c) the operation, use, ownership or maintenance of the indemnifying Owner's Unit by the indemnifying Owner or its Permittees. The indemnifying Owner shall pay for all Indemnity Claims suffered or incurred by the Association for which the indemnifying Owner is responsible promptly upon receipt of a demand for payment from the Association. The amount of the Indemnity Claims shall constitute Reimbursable Expense against the indemnifying Owner's Unit. If the indemnifying Owner fails to make such payment within 30 days after receipt of the Association's demand for it, the Association may take whatever lawful action it deems necessary to collect the payment including, without limitation, foreclosing its lien or instituting an action at law or in equity. Nothing in this Declaration relieves any Permittee from liability for its own acts or omissions. Nothing contained in this Section 4.9 shall be construed to provide for any indemnification which violates applicable laws, voids any or all of the provisions of this Section 4.9 or negates, abridges, eliminates or otherwise reduces any other indemnification or right which the Association or the Owners have by law. Nothing contained in this Section 4.9 shall be construed to preclude the Association from including within the Common Expenses and Annual Assessments any sums in connection with an Indemnity Claim; provided, however that an indemnifying Owner remains obligated for sums in connection with an Indemnity Claim pursuant to the foregoing provisions. If, after including such sums as part of the Common Expenses and Annual Assessments, the Association recovers sums in connection with the Indemnity Claim, such sums shall be deposited in either the Operating Fund or the Replacement Fund, at the discretion of the Board.

4.10 Provisions Run with Property. Each Condominium, Owner, Permittee and Security Holder are subject to all provisions of this Declaration and those provisions are covenants running with the land and/or equitable servitudes, as the case may be, and bind every Person having any interest in the Condominium Project and inure to the benefit of every Owner.

ARTICLE 5

OPERATION, MAINTENANCE AND REPAIR

5.1 Association's Duties. Subject to the provisions of ARTICLE 9 of this Declaration, the Association has the following rights and responsibilities with respect to the operation, maintenance and repair of the Condominium Project:

- (a) Maintenance of Common Elements. Except to the extent otherwise provided in Section 5.2, the Association shall maintain, repair, replace and restore the Common Elements, including, without limitation, the Central Mechanical Equipment, the Utility/Service Elements, all balconies, the exterior and roof of each Building and all windows, and doors forming the boundaries of the Units within the Condominium Project, and the costs to do so shall be included in Common Expenses, except to the extent paid by insurance or condemnation proceeds or by Owners pursuant to Sections 4.9, 7.2 or 7.3.

(b) Election to Perform Owners' Duties. The Association may elect to perform any maintenance, repair, replacement or restoration that is the responsibility of an Owner pursuant to Section 5.2 if: (i) the Owner has failed, for more than 30 days after notice from the Association, to maintain, repair, replace or restore its Unit as required under this Declaration; and (ii) the failure adversely affects the appearance of the Unit when viewed from any area outside the Unit, or impairs the structural integrity or building systems of any portion of the Property, or has an adverse effect on the use of another Unit or Common Element for its permitted and intended use. If, however, the required maintenance, repair, replacement or restoration cannot be cured because of its nature or scope within the 30-day period, the Association may not perform the repair, maintenance, replacement or restoration so long as such Owner commences performance of its obligations within the 30-day period and diligently completes it. The Owner shall pay all costs incurred by the Association in accordance with this Section 5.1(b) upon receiving the Association's demand for payment. If the Owner fails to make the payment within 30 days of receiving a demand for it, the Association may take whatever lawful action it deems necessary to collect the payment including, without limitation, foreclosing its lien or instituting an action at law or in equity.

5.2 Owners' Duties. Each Owner shall at its expense (i) maintain at all times in good and clean condition, and perform all necessary repairs or restorations of its Unit, the Unit Mechanical Equipment, and any Utility/Service Elements allocated for the exclusive use of that Owner; (ii) with respect to the Residential Units, clean and keep in a sanitary condition and remove snow from any balcony attached to such Residential Unit; (iii) perform its responsibilities in a manner that does not unreasonably disturb other Owners or their Permittees; and (iv) promptly report to the Association any defect or need for repairs for which the Association is responsible. Except as expressly provided above, no Owner may alter, repair or maintain any part of the exterior of the Building. Notwithstanding the foregoing, each Owner and the Association may enter into an agreement whereby the Association shall maintain and repair elements of the Unit Mechanical Equipment for such Unit and the Utility/Service Elements allocated exclusively to such Unit, and clean and remove snow from the balcony attached to the Owner's Residential Unit. In addition, the Owner of the Commercial Unit shall be responsible for, at its sole cost and expense, trash removal for the Commercial Unit. Each Owner shall pay for all utilities billed directly to its Unit.

5.3 Maintenance Standard. For the benefit of all Owners, each Owner and the Association shall perform their respective maintenance and repair obligations under Sections 5.1 and 5.2 in a manner consistent with other first-class residential projects located in Gunnison County, Colorado.

ARTICLE 6

THE ASSOCIATION AND BOARD

6.1 Membership. Each Owner is a member of the Association as soon and for so long as it is an Owner. Following a termination of the Condominium Project, the members of the Association shall consist of all Owners entitled to share in the distribution of proceeds of a sale of the Property in accordance with CCIOA. Membership in the Association automatically terminates when a Person ceases to be an Owner, whether through sale, intestate succession,

testamentary disposition, foreclosure or otherwise, and the new Owner automatically succeeds to that membership in the Association. The Association shall recognize a new member upon presentation by a new Owner of satisfactory evidence of the sale, transfer, succession, disposition, foreclosure or other transfer of a Unit. Membership in the Association may not be transferred, pledged or alienated in any way, except to the new Owner upon conveyance of a Unit. Any prohibited transfer of a membership interest is void and shall not be recognized by the Association.

6.2 Powers. The Association shall serve as the governing body for the Condominium Project and has the responsibilities set forth in this Declaration, the Articles and the Bylaws. The Association is authorized to:

- (a) adopt and amend the Articles, the Bylaws and Rules, *provided* that the Articles, the Bylaws and Rules shall not be inconsistent with this Declaration or CCIOA;
- (b) subject to Sections 6.3 and 7.1, adopt and amend a Final Budget for a Fiscal Year for revenues, expenditures and reserves and assess and collect any Assessments and any other amounts due from Owners or others to the Association;
- (c) hire and terminate the Managing Agent and other employees, agents and independent contractors;
- (d) institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself only on matters affecting the Condominium Project;
- (e) make contracts and incur liabilities;
- (f) borrow funds to cover Association expenditures and pledge Association assets as security therefor, *provided* that Common Elements may be subjected to a security interest only pursuant to CCIOA;
- (g) regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (h) cause additional improvements to be made as a part of the Common Elements including, without limitation, snowmelt systems;
- (i) acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property (including, without limitation, one or more Condominiums), *provided* that Common Elements may be conveyed or subjected to a security interest only pursuant to CCIOA;
- (j) grant easements, leases, licenses, and concessions through or over the Common Elements;
- (k) impose and receive any payments, fees or charges for any services provided to particular Owners;

644353

1/12/2017 12:41:49 PM 21 of 47

Gunnison County, CO

(l) impose charges for late payment of Assessments, recover reasonable attorneys' fees and other legal costs for collection of Assessments and other actions to enforce the power of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, the Articles, the Bylaws or Rules;

(m) impose reasonable charges for the preparation of statements of unpaid Assessments pursuant to Section 12.4;

(n) provide for the indemnification of its officers and members of the Board and maintain directors' and officers' liability insurance;

(o) assign its right to future income, including the right to receive Assessments so long as the Association shall continue to have sufficient revenue to meet its maintenance obligations under this Declaration;

(p) exercise any other powers conferred by this Declaration, the Articles or the Bylaws;

(q) exercise all other powers that may be exercised in the State of Colorado by legal entities of the same type as the Association; and

(r) exercise any other powers necessary and proper for the governance and operation of the Association.

Except as expressly reserved to the Owners pursuant to this Declaration, the Articles or Bylaws or CCIOA, the Board, acting pursuant to the terms of the Bylaws, has the exclusive authority to exercise all powers of the Association.

6.3 Budget.

(a) Preparation of Board Recommended Budget. Each Fiscal Year of the Association, the Board shall cause a proposed budget for the Association to be prepared and approved by the Board, not less than 30 days prior to the beginning of the Fiscal Year of the Association. Upon approval by the Board, such budget is referred to herein as the "Board Recommended Budget." The Board Recommended Budget shall include all of the following:

(i) the estimated Operating Fund balance as of the beginning of the subject Fiscal Year;

(ii) the estimated Annual Operating Assessment income and other operating revenue and the estimated Common Expenses of the Association for the subject Fiscal Year, in reasonable detail as to the various categories of revenue and expense;

(iii) the estimated Replacement Fund balance as of the beginning of the subject Fiscal Year; and

(iv) the estimated Annual Replacement Assessment income for the subject Fiscal Year, the estimated costs and expenses for major repairs, replacement or capital expenditures related to the Common Elements or the Association's equipment, furniture and other personal property, and an amount for contingencies (including without limitation, the amount of the deductible under the Association's property insurance policy) for the subject Fiscal Year; and

(v) the estimated expenditures from the Replacement Fund projected to be spent in future Fiscal Years for major repairs, replacements or capital expenditures related to the Common Elements or the Association's equipment, furniture and other personal property, based on the Association's estimate of the remaining useful lives and replacement costs of the components of the Common Elements, the Association's equipment, furniture and other personal property, and the estimated Annual Replacement Assessment for such future Fiscal Years. Notwithstanding the inclusion of such estimates in the Board Recommended Budget for future Fiscal Years, such estimates for future Fiscal Years shall not be binding on the Association.

(b) Ratification of Board Approved Budget; Final Budget. Within 90 days after the Board approves the Board Recommended Budget, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the Board Recommended Budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the Board Recommended Budget (the "Budget Notice"). Such meeting shall occur within a reasonable time after mailing or other delivery of the Budget Notice, which timing must otherwise comply with the meeting notice requirements in the Bylaws. The Board Recommended Budget does not require affirmative approval of the Owners and shall be deemed approved by the Owners in the absence of a veto at such noticed meeting of Owners representing 67% of all the Units. Any such Board Recommended Budget that is deemed approved by the Owners is referred to herein as a "Final Budget." If the Owners veto a Board Recommended Budget as provided for above, the most recent Final Budget shall continue in effect until such time as a new Final Budget is in place pursuant to the procedures of this Section 6.3.

6.4 Indemnification of Directors. The Association shall indemnify, to the maximum extent permitted by law, any person who is or was a director or officer of the Association, and may indemnify any other person, against any claim, liability or expense arising against or incurred by the person made party to a proceeding because he or she is or was a director, officer, agent, fiduciary or employee of the Association or because he or she is or was serving another entity as a director, officer, partner, trustee, employee, fiduciary or agent at the Association's request. The Association further may, to the maximum extent permitted by law, purchase and maintain insurance providing such indemnification, advance expenses to persons indemnified by the Association, and provide indemnification to any other person by general or specific action of the Board, contract or otherwise. Subject to any applicable provisions of CCIOA, no director or officer of the Association shall be liable for actions taken or omissions made in the performance of such person's duties and no director or officer of the Association shall have any personal liability to the Association or its members for monetary damages for breach of fiduciary duty, except that the personal liability of any director or officer shall not be eliminated for: (i) any

breach of the director's or officer's duty of loyalty to the Association or its members; (ii) acts or omissions by the director not in good faith or that involve intentional misconduct or a knowing violation of the law; (iii) voting for or assenting to any unlawful distributions as defined under Section 7-128-403 of the Colorado Nonprofit Corporation Act (or such similar provision of Colorado statute in place from time to time), provided that the extent of liability for such vote or assent shall be determined pursuant to said provision; (iv) consenting to or participating in the making of any loan by the Association to any director or officer, provided that the extent of liability for such consent or participation shall be determined pursuant to Section 7-128-501 of the Colorado Nonprofit Corporation Act; or (v) any transaction from which the director directly or indirectly derived an improper personal benefit. No director or officer of the Association shall be personally liable for any injury to person or property arising out of a tort committed by an employee of the Association unless such director or officer of the Association was personally involved in the situation giving rise to the injury or unless such director or officer of the Association committed a criminal offense in connection with such situation. Nothing contained in this Section 6.4 shall be construed to deprive any director or officer of the Association of his or her right to all defenses ordinarily available to a director or officer nor shall anything herein be construed to deprive any director or officer of the Association of any right he or she may have for contribution from any other director or officer of the Association or other person.

ARTICLE 7
ASSESSMENTS

7.1 **Annual Assessments.** Each Unit is subject to assessments for the Unit's Common Allocation of all Common Expenses (the "Annual Assessments"). Annual Assessments shall be calculated, paid, adjusted and reconciled in accordance with the following provisions:

(a) **Budget and Payment.** The Board shall assess Annual Assessments based on the Final Budget for the applicable Fiscal Year, and based on each Owner's Common Allocation. There are two components to each Final Budget and therefore two components to the Annual Assessment: an assessment for the Association's operations, which shall be credited to the Operating Fund (the "Annual Operating Assessment"), and an assessment for other major repairs, replacements and capital expenditures (the "Annual Replacement Assessment"), which shall initially be credited to the Operating Fund. The Board, in its discretion based on funds available in the Replacement Fund and other factors, may set the Annual Replacement Assessment at zero. The Annual Replacement Assessment shall be available throughout the Fiscal Year in which it is imposed for the payment of Common Expenses to the extent the Annual Operating Assessment or other funds available in the Operating Fund are insufficient. At the end of the Fiscal Year, any unspent portions of the Annual Replacement Assessment shall be credited to the Replacement Fund from the Operating Fund. Each Owner is obligated to pay the Association the total Annual Assessments made against such Owner's Unit, and the payment shall be due in equal monthly installments on or before the first day of each month of each Fiscal Year or in another reasonable manner designated by the Board. The Board's failure to fix the Annual Assessments prior to the commencement of any Fiscal Year shall not be deemed a waiver or modification of any of the provisions of this Declaration or a release of any Owner from its obligation to pay the Annual Assessments

644353

1/12/2017 12:41:49 PM 24 of 47

Gunnison County, CO

or any installment of them for that Fiscal Year, but the Annual Assessments fixed for the preceding Fiscal Year shall continue until the Board fixes the new Annual Assessments.

(b) Adjustment. If, during any Fiscal Year, the Board determines that the payments of Annual Assessments during the balance of the Fiscal Year shall be inadequate to meet the Association's obligations intended to be covered by such Annual Assessments, the Board may consider an amendment to the Final Budget to increase the total Annual Assessments for such Fiscal Year. Such amendment shall include all the items otherwise required to be included in a Board Recommended Budget, and such amendment, when adopted by the Board is referred to herein as a "Board Recommended Amended Budget." The Board shall, mail, by ordinary first-class mail, or otherwise deliver a summary of the Board Recommended Amended Budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of Board Recommended Amended Budget (the "Amended Budget Notice"). Such meeting shall occur within a reasonable time after mailing or other delivery of Amended Budget Notice, which timing must otherwise comply with the meeting notice requirements in the Bylaws. The Board Recommended Amended Budget does not require affirmative approval of the Owners and shall be deemed approved by the Owners in the absence of a veto at such noticed meeting of Owners representing 67% of all the Units. If the Owners veto the Board Recommended Amended Budget, the Final Budget then in effect shall continue in full force and effect. If the Board Recommended Amended Budget is deemed approved by the Owners, it shall thereafter be considered the Final Budget for the Fiscal Year.

7.2 Special Assessments.

(a) General. The Association may levy from time to time one or more special assessments ("Special Assessments") for the purpose of defraying in whole or in part the cost of any construction, restoration, unexpected repair or replacement of a capital improvement, any unexpected increase in the Common Expenses, or for otherwise carrying out the other responsibilities of the Association in accordance with this Declaration. Except in the event of an emergency, the Board shall follow the same procedures for ratification in Section 6.3 and the Special Assessment as proposed shall be deemed by the Owners in the absence of a veto by Owners representing 67% of all the Units. Except as provided for below in Section 7.2(b), each Special Assessment shall be allocated among the Units in accordance with the Common Allocations. Each Owner shall pay all Special Assessments assessed against the Owner's Unit. Special Assessments shall be paid at the time(s) and in the manner (for example, by lump sum payment or in installments) reasonably determined by the Board.

(b) Windows and Sliding Glass Doors. As and when the Association determines that windows, screens and sliding glass doors abutting and forming the boundaries of the Units need to be replaced, the Board shall levy one or more Special Assessments for the purpose of defraying in whole or in part the cost of such project. Such costs are split into two categories: (i) the actual cost of the replacement window, screen or sliding glass door abutting or forming the boundary of a Unit, including the cost of optional items or features, such as built-shades, plus the labor costs incurred to install such window, screen or sliding glass door (the "Direct Window Costs"), and (ii) the

Direct Window Costs associated with the replacement windows, screens or sliding glass doors abutting the interior Common Elements (such as the first floor lobby and the Employee Housing), and general overhead costs for trash dumpsters, cranes and similar items (the "Common Window Costs"). Each Owner shall be responsible for a Special Assessment for such project equal to the Direct Window Costs associated with its Unit, plus a portion of the Common Window Costs equal to its Common Allocation. Notwithstanding the foregoing, the Board may determine that the windows, screens and sliding glass doors forming the boundary of a particular Unit do not need to be replaced, if such existing windows, screens and sliding glass doors meet the same specifications as the replacement windows, screens and sliding glass doors. In such event, the Owner of such Unit shall have no Direct Window Costs as part of its Special Assessment, but shall still be liable for its portion of the Common Window Costs. In connection with issuing such an exemption for a particular Unit, the Board may require that certain remedial actions be taken with respect to that Unit's windows, screens or sliding glass doors. The Association shall undertake such remedial work as part of the overall project, and the cost of such remedial work shall be assessed against the applicable Unit as a Direct Window Cost.

7.3 Reimbursable Expenses. If the Association incurs any costs or expenses as a result of or in connection with (i) an increase in any insurance premium for which an Owner is responsible pursuant to Section 9.1(a); (ii) subject to Section 9.3, the willful misconduct or negligence or violation of any law, this Declaration, the Articles, the Bylaws or the Rules by an Owner or its Permittees; (iii) subject to Sections 13.1 and 5.1(b), bringing an Owner or the Owner's Unit into compliance with the provisions of this Declaration (including, without limitation, Sections 4.9 and 5.2) or any other document governing the Condominium Project; or (iv) an Indemnity Claim; then, in each such event, the Board shall assess the costs and expenses ("Reimbursable Expenses") against the Owner's Unit. The Board may assess for a Reimbursable Expense without the approval of the Owners.

7.4 Working Capital. To provide the Association "Working Capital" for general operating expenses, the Association requires each Owner, at the time such Owner acquires its Unit, to pay an amount equal to two monthly installments of Annual Operating Assessments in effect on the date of said acquisition. Such amount is refunded to the Owner when it sells its Unit. Amounts contributed to Working Capital do not constitute advance payment of Annual Assessments.

7.5 Payment of Assessments; Notice and Acceleration. Each Owner shall pay all Annual Assessments and Special Assessments assessed against such Owner's Unit by the Board in accordance with the terms of this Declaration. Each Assessment is a separate, distinct and personal debt and obligation of the Owner against whose Unit the Assessment is assessed. All Assessments are payable in full without offset for any reason whatsoever. Each Owner's obligation to pay Assessments is entirely independent of any obligation of the Association to the Owner or any other Owner to that Owner. Any Assessment or installment of an Assessment not paid within 15 days after it becomes due is delinquent. If an Assessment or installment of an Assessment is delinquent, the Association may recover all of the following (collectively, the "Delinquency Costs"): (a) interest from the date due at the rate established from time to time by the Board (but not to exceed 21% per year); (b) late charges and other monetary penalties

imposed by the Association pursuant to this Declaration, the Bylaws, the Rules and CCIOA; and (c) all collection and enforcement costs, including reasonable attorneys' fees, incurred by the Association. If an Assessment or installment thereof becomes delinquent, the Association may notify the Owner of such delinquency and state in such notice (i) the amount and due date of the delinquent Assessment or installment thereof; (ii) the Delinquency Costs accrued to date; (iii) the date by which the delinquent Assessment or installment thereof and all associated Delinquency Costs must be paid, which date may be no sooner than 60 days from the due date of such Assessment or installment thereof or 30 days from the date such notice is given, whichever is later; and (iv) that failure to pay the delinquent Assessment or installment thereof and all associated Delinquency Costs by the date specified in such notice may result in acceleration of the balance of the Assessment or installments thereof for the current Fiscal Year and the foreclosure of the Association's lien therefore against such Owner's Unit. If the Association gives such a notice and the delinquent Assessment or installment thereof and all associated Delinquency Costs are not paid in full by the due date specified in such notice, then the Board, at its option, may declare all unpaid installments of the subject Assessment for the current Fiscal Year to be immediately due and payable in full without further demand or notice and may enforce the collection of such Assessment (including any installments thereof whose due dates were so accelerated) in accordance with Section 7.6, subject, however, to the protection afforded First Mortgages pursuant to ARTICLE 11.

7.6 Enforcement of Assessments. The amount of any delinquent Assessments (including any installments whose due dates are accelerated by the Board pursuant to Section 7.5) and associated Delinquency Costs may be enforced against the Owner liable for them in either or both of the following ways (to the extent permitted by law or regulation), at the option of the Board:

(a) Suit. The Association may bring a suit or suits at law to enforce the Owner's obligation to pay a delinquent Assessment (including any installments whose due dates are accelerated by the Board pursuant to Section 7.5) and associated Delinquency Costs. Each action shall be brought in the name of the Association. Any judgment rendered in the action in favor of the Association shall include a sum for reasonable attorneys' fees and costs incurred by the Association in bringing the action against the defaulting Owner. Upon full satisfaction of the judgment, the Association, by one of its officers, shall execute and deliver to the judgment debtor an appropriate satisfaction of the judgment.

(b) Lien and Foreclosure. Assessments (including any installments whose due dates are accelerated by the Board pursuant to Section 7.5) and associated Delinquency Costs constitute a lien on the Units against which they are assessed from the date due. The lien is subject to the provisions of Section 316 of CCIOA. Subject to the protection afforded First Mortgages pursuant to Article 12, the Association may foreclose on the lien securing the Assessment, any installments whose due dates are accelerated by the Board pursuant to Section 7.5, and any associated Delinquency Costs in accordance with the laws of the State of Colorado only if: (i) an Assessment is delinquent, the Association gives a notice concerning the delinquency that substantially complies with the provisions of Section 7.5, and the delinquent Assessment is not paid in full by the due date specified in the notice, (ii) the balance of the Assessments and charges secured by its lien equals or

exceeds six months of Assessments based on the applicable Final Budget, and (iii) the Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Unit on an individual basis. The Board may not delegate its duty to act under this Section 7.6 to any attorney, insurer, the Managing Agent or any other person.

7.7 Disputes and Records. Any Owner or an Owner's authorized representative may inspect the books and records of the Association during business hours upon reasonable prior notice. If an Owner disputes the amount of any Assessment against its Unit and is unable to resolve the issue through an inspection of the Association's books and records, the Owner shall pay in a timely manner the full amount of the disputed Assessment until, if ever, it is finally determined that the amount is incorrect (in which case the Association shall promptly refund any overpayment). If the Owner fails to pay the disputed Assessment while the dispute is pending, the Association may immediately pursue any of its remedies for the failure (including, without limitation, suit against the Owner and/or foreclosure of its Unit) and the pendency of the dispute resolution proceeding is not a bar or defense to any actions by the Association.

7.8 Owners not Exempt from Liability. No Owner is exempt from liability for payment of Assessments by waiver of the use or enjoyment of any of the Common Elements, by abandonment of its Unit, or otherwise.

ARTICLE 8
ALTERATIONS

8.1 Permitted Unit Alterations. An Owner may, subject to the terms and provisions of this Article 9, construct an alteration or improvement to its Unit (a "Permitted Unit Alteration") that:

- (a) does not, either during construction or after completion, impair the structural stability, or building systems of, including, without limitation, any acoustical separation assemblies or other components designated to mitigate the transmission of sound through walls and other physical separations, or diminish the support of any portion of the Condominium Project;
- (b) does not, during construction, substantially and unreasonably impair the use of any Common Element by any Owner or Permittee entitled to use that Common Element;
- (c) does not, during construction or after completion, change the appearance of or otherwise adversely affect the Common Elements; and
- (d) does not, after completion, affect the appearance of the Condominium Project, when viewed from any area outside the altered Unit.

At least 30 days prior to the commencement of construction, an Owner intending to perform a Permitted Unit Alteration shall provide written notice to the Association. Upon request from the Board or the Managing Agent, the Owner shall provide plans and specifications for the planned Permitted Unit Alteration. Any change, addition, alteration or improvement of any Unit that

644353

1/12/2017 12:41:49 PM 28 of 47

Gunnison County, CO

does not constitute a Permitted Unit Alteration is prohibited (unless otherwise permitted pursuant to this ARTICLE 8) and may be enjoined by the Association or any aggrieved Owner, subject to the provisions of Section 13.1. In no event shall any Owner or the Association enclose or cause to be enclosed any balcony.

8.2 Construction. Any Owner(s) performing any construction or demolition work relating to a Permitted Unit Alteration shall comply with the following additional provisions:

(a) except in the case of emergencies or as may be approved by the Board, all Permitted Unit Alterations shall be completed in the "shoulder season" as established by the Managing Agent each year (which shall be approximately mid-September to mid-November, and from mid-April to late May or early June each year);

(b) such Owner(s) shall obtain all necessary permits and governmental authorizations for the Permitted Unit Alteration;

(c) such Owner(s) shall comply with the Rules when constructing the Permitted Unit Alteration;

(d) the Permitted Unit Alteration and the construction of it shall comply with all applicable zoning and building codes and other applicable laws, ordinances and restrictive covenants;

(e) the Permitted Unit Alteration shall be completed only by licensed contractors and subcontractors;

(f) prior to commencing any construction, such Owner(s) shall provide the Board with evidence sufficient to demonstrate that the insurance required to be maintained by such Owner(s) pursuant to Section 9.2 is in full force and effect and that the contractor performing the work maintains worker's compensation insurance in the amount required by law and contractor's liability insurance with the limits the Board reasonably requires;

(g) such Owner(s) shall cause the Permitted Unit Alteration to be constructed and completed diligently, in a good and workmanlike manner, and free and clear of all mechanics' and materialmen's liens and other claims or liens;

(h) during the construction process, such Owner(s) shall keep the area affected in a safe, neat and clean condition;

(i) such Owner(s) shall minimize any impact from the construction process on other Units or Common Elements and shall not store any construction materials outside of its Unit, except to the extent approved by the Board;

(j) such Owner(s) shall perform the Permitted Unit Alteration work, or cause the work to be performed, in a manner that maintains harmonious labor relations and does not interfere unreasonably with or delay the work of any other contractors then working anywhere on the Condominium Project;

644353

1/12/2017 12:41:49 PM 29 of 47

Gunnison County, CO

(k) such Owner(s) shall reimburse the Association for all costs incurred by the Association in connection with the Permitted Unit Alteration, such as the increase in costs of trash removal due to the performance of the Permitted Unit Alteration work; and

(l) such Owner(s) shall pay or cause to be paid all costs of design and construction of the Permitted Unit Alteration.

8.3 Alteration of Common Elements.

(a) Except as otherwise provided in Section 5.2, no Owner or Owner's Permittee may construct anything upon, remove anything from, or alter any of the Common Elements, or paint, decorate or landscape any portion of the Common Elements.

(b) The Association may construct an alteration or improvement to a Common Element (a "Common Alteration") if (i) the Common Alteration does not permanently impair the structural stability or building systems of or lessen the support of any portion of the Condominium Project (*provided, however, that any impairment shall not be deemed permanent if it is susceptible of being cured and shall be cured by the proposed Common Alteration*); (ii) the Common Alteration does not have a materially adverse effect, either during construction or upon completion, upon the use of any Unit for its permitted purposes (unless the Owner of the affected Unit consents in writing to the Common Alteration); and (iii) the cost of the Common Alteration constitutes a Common Expense and a Final Budget including such cost is in place, or a Special Assessment to cover such cost has been approved. The Association shall comply with the provisions of Section 8.2 (except Section 8.2(i)) in constructing any Common Alteration, as if the Association were an Owner.

ARTICLE 9

INSURANCE; CASUALTY; CONDEMNATION

9.1 Association's Insurance. The Association has the following responsibilities with respect to insurance and, except as otherwise expressly provided in this Declaration, the cost of all insurance maintained by the Association under this Section 9.1 shall be included in Common Expenses.

(a) Property Insurance. The Association shall obtain and maintain property insurance in amounts, against risks, and containing provisions as the Board reasonably determines from time to time. At a minimum, the Association's insurance shall insure against all risks of direct physical loss for 100% of the full replacement cost (at the time the insurance is purchased and at the renewal date) of (1) the Units, excluding, however, the finished interior surfaces of the walls, floors and ceilings of the Units and any improvements or betterments installed in the Units by the Owners; (2) the Common Elements and all fixtures, improvements and alterations situated on or constituting a part of the Common Elements; and (3) any personal property of the Association situated in the Common Elements or used in the operation or maintenance of the Common Elements. The Association's insurance may exclude land, excavations, foundations and other items

normally excluded from property policies and may provide for a deductible in an amount not to exceed a reasonable and prudent amount as determined by the Board. The Association's property insurance shall be maintained in the name of the Association, for the use and benefit of all Owners, who shall be named as additional insureds, and Security Holders, who may be named as additional insureds, as their interests may appear. To the extent available such property insurance also shall (i) contain no provisions by which the insurer may impose a so-called "co-insurance" penalty; (ii) permit a waiver of claims by the Association, and provide for a waiver of subrogation rights by the insurer as to claims, against each Owner and the members of the Owner's household; (iii) be written as a primary policy, not contributing with and not supplemental to any coverage that any Owner carries; (iv) provide that, notwithstanding any provision that gives the insurer an option to restore damage in lieu of making a cash settlement, the option may not be exercised if the proper party(ies) elect(s) not to restore the damage in accordance with the provisions of this Declaration or CCIOA; (v) provide that no act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, voids the policy or is a condition to recovery under the policy; (vi) provide that it may not be canceled, nor may coverage be reduced, without 30 days prior notice to the Association and all additional insureds named in the policy; and (vii) include so-called "inflation guard," "building ordinance or law" "steam boiler and machinery coverage" endorsements. If, as a result of any improvements or alterations made to or concerning a Unit by its Owner, the premium for the Association's property insurance policy is increased to an amount exceeding what the premium would have been if the Owner had not made the improvements or alterations, the Board may assess the amount of the increase in premium against the Owner's Condominium as a Reimbursable Expense pursuant to Section 7.3.

(b) Liability Insurance. The Association shall obtain and maintain comprehensive liability insurance for bodily injury and property damage for the benefit of the Association and its officers, directors, agents and employees in amounts and with coverage as determined from time to time by the Board. All Owners shall be named as additional insureds for claims and liabilities arising in connection with the ownership, use or management of the Common Elements. Such liability insurance shall have a combined single occurrence limit of not less than \$1,000,000 and, to the extent available on reasonable terms, shall (i) be on a commercial general liability form; (ii) contain a "severability of interest" or "cross-liability" endorsement which precludes the insurer from denying the claim of any named or additional insured due to the negligent acts, errors or omissions of any other named or additional insured; (iii) contain a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees and agents, Owners and members of their households; (iv) be written as a primary policy, not contributing with and not supplemental to any coverage that any Owner may carry; (v) provide that no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, voids the policy or is a condition to recovery under the policy; (vi) insure all of the named and additional insured parties against liability for negligence resulting in death, bodily injury or property damage arising out of or in connection with the operation, use, ownership or maintenance of the Common Elements; and (vii) provide that it may not be canceled, nor may coverage be reduced, without 30 days' prior notice to the Association and all additional

insureds named in the policy. The liability insurance required to be maintained under this Section 10.1(b) shall not include coverage for any liability arising out of the operation, use, ownership or maintenance of any Unit.

(c) Worker's Compensation and Employer's Liability. To the extent the Association has employees, the Association shall obtain and maintain worker's compensation and employer's liability insurance as determined from time to time by the Board. At a minimum, the Association shall maintain such insurance in amounts and with coverages required by applicable law.

(d) Automobile Insurance. If the Association operates owned, hired or non-owned vehicles, the Association shall obtain and maintain comprehensive automobile liability insurance at a limit of liability of not less than \$1,000,000 for combined bodily injury and property damage.

(e) Directors' and Officers' Insurance. The Association shall obtain and maintain directors' and officers' liability coverage in the amount the Board determines from time to time.

(f) Fidelity Insurance. The Association shall obtain and maintain fidelity insurance covering losses resulting from dishonest or fraudulent acts committed by the Association's directors, officers, the Managing Agent, trustees, employees or volunteers who manage the funds collected and held for the benefit of the Association. The policy shall name the Association as the insured, (or obligee) include a provision requiring at least 30 days' written notice to the Association before any cancellation of, or material modification in, the policy, and provide coverage in an amount equal to at least three months' Annual Assessments against all Units, based on the most recent Final Budget. If the Association engages a Managing Agent that handles funds of the Association, the Managing Agent shall also maintain fidelity insurance satisfying the foregoing requirements of this Section 9.1(f) and CCIOA and provide evidence of the coverage to the Board.

(g) Other Insurance. The Association may obtain and maintain other insurance as the Board, from time to time, deems appropriate to protect the Association or the Owners.

(h) Licensed Insurers. All policies of insurance required to be maintained by the Association shall be placed with insurers licensed in the State of Colorado. The carrier shall be required to provide to the Board at the inception of the policies and on each anniversary date, a summary that includes a description of the type of policy, the coverage and limits of coverage, the amount of annual premium and the policy renewal dates. If obtainable without additional expense, the licensed insurance broker or agent shall certify that the policy complies with and satisfies the requirements of the section.

9.2 Owners' Insurance. Each Owner has the following responsibilities with respect to insurance:

(a) Property Insurance. Each Owner shall maintain at its expense (or shall cause its Permittee to maintain at its expense) property insurance upon the Owner's Unit and all personal property and fixtures within the Owner's Unit, in such amounts, against such risks, and containing such provisions as the Owner may reasonably determine from time to time. Such property insurance shall (i) permit a waiver of claims by the Owner, and provide for a waiver of subrogation rights by the insurer as to claims, against the Association, its directors, officers, employees and agents, the other Owners and the members of such Owners' household; (ii) be written as a primary policy, not contributing with and not supplemental to any coverage that the Association carries; and (iii) provide that, notwithstanding any provision that gives the insurer an option to restore damage in lieu of making a cash settlement, the option may not be exercised if the proper party(ies) elect not to restore the damage in accordance with the provisions of this Declaration or CCIOA. All insurance carried under this Section 9.2(a) shall provide that it may not be canceled, nor may coverage be reduced, without 30 days' prior notice to the Association and, notwithstanding that each Owner may select the amount and type of such insurance, for purposes of the waiver of claims set forth in Section 9.3, each Owner is deemed to have elected to obtain such insurance on a 100% replacement cost basis.

(b) Liability Insurance. Each Owner shall maintain at its expense bodily injury and property damage liability insurance for the benefit of the Owner and any additional insured it names, in amounts and with coverage as are from time to time customarily maintained by prudent owners of similar property; *provided* that such liability insurance shall (i) have a combined single occurrence limit of not less than \$500,000; (ii) be written as a primary policy, not contributing with and supplemental to any coverage that the Association or another Owner carries; (iii) insure all of the named and additional insured parties against liability for negligence resulting in death, bodily injury or property damage arising out of or in connection with the operation, use, ownership or maintenance of the Owner's Unit; and (iv) contain a waiver of subrogation by the insurer as to claims against the Association, its directors, officers, employees and agents, owners and members of their households.

(c) Other Insurance. Each Owner may obtain additional insurance, at its own expense, affording personal property, condominium assessment, loss of rents, personal liability and any other coverage obtainable, to the extent and in the amount the Owner deems necessary to protect its interests. Any such insurance shall contain waivers pursuant to Section 9.3 and shall provide that it is without contribution as against the insurance maintained by the Association.

(d) Licensed Insurers. All policies of insurance required to be maintained by an Owner shall be placed with insurers licensed in the State of Colorado. The carrier shall be required to provide to the Board at the inception of the policies and on each anniversary date, a summary that includes a description of the type of policy, the coverage and limits of coverage, the amount of annual premium and the policy renewal dates. If obtainable without additional expense, the licensed insurance broker or agent shall certify that the policy complies with and satisfies the requirements of the section.

644353

1/12/2017 12:41:49 PM 33 of 47

Gunnison County, CO

9.3 Waiver of Claims. The Association shall make no claim against any Owner or the members of the Owner's household, for any loss, damage, injury or liability, no Owner shall make any claim against the Association, its directors, officers, employees or agents, or any other Owner or member of such Owner's household for any for any loss, damage, injury or liability, and all such claims are hereby waived, to the extent that the loss, damage, injury or liability is or would be covered by any insurance policy that is required under this Declaration (a) to be maintained by or for the benefit of the waiving Person (assuming in the case of property insurance policies that such insurance policy is maintained on a 100% replacement cost basis), and (b) to provide for a waiver of subrogation rights by the insurer. For purposes of this Section 9.3, the deductible or self-insured retention amount under any property insurance policy required to be, or in fact, maintained by a waiving Person is deemed to be covered by the policy so that, in addition to waiving claims for amounts in excess of the deductible or self-insured retention (up to the covered limits, or deemed covered limits, of the policy), the waiving Person waives all claims for amounts within the deductible or self-insured retention.

9.4 Proceeds. The Association has no claim to and each Owner may receive all proceeds of any insurance policy maintained by such Owner. The Board is solely responsible for adjustment of any losses under insurance policies maintained by the Association and is hereby irrevocably appointed the agent of all Owners, Security Holders and other Persons having an interest in the Condominium Project for purposes of adjusting all claims arising under insurance policies maintained by the Association and executing and delivering releases when claims are paid. The Association shall receive all proceeds of any insurance policy maintained by the Association, except other insured parties under liability insurance policies shall be entitled to proceeds arising out of their insured losses. The Association shall hold any proceeds of any property insurance it maintains in trust for the Owners and Security Holders. The Board shall disburse the proceeds of any property insurance relating to damage to any Unit or Common Element in accordance with CCIOA.

9.5 Casualty. If any portion of the Condominium Project for which the Association maintains property insurance is damaged or destroyed, it must be repaired or replaced promptly by the Association, except as otherwise provided by CCIOA. Following any damage to or destruction of any portion of the Condominium Project, each Unit shall continue to be subject to Assessments without abatement or modification as a result of the damage or destruction. If the finished interior surfaces of the walls, floors and ceilings of a Unit or any improvement or betterment installed in a Unit by an Owner is damaged or destroyed, it must be repaired or replaced promptly by the Owner, except as otherwise provided by CCIOA.

9.6 Condemnation. If all or a part of the Condominium Project is taken by the exercise of the power of eminent domain or is conveyed in lieu of such exercise (collectively, "Taking"), the Association is solely responsible for negotiating with the condemning authority on behalf of all Owners concerning the award for the Taking as it relates to the Common Elements, and each Owner is solely responsible for negotiating with the condemning authority concerning the award for the Taking as it relates to its Unit. If a Taking of only a part of the Common Elements occurs, the Association is responsible for restoring the remaining Common Elements as necessary to return them to a safe and lawful condition that does not adversely affect the use or enjoyment of the Units or other Common Elements or detract from the general character or appearance of the Condominium Project. If the net amount of the award so received

is insufficient to effect such restoration, a Special Assessment may be levied. If only part of a Unit is acquired by a Taking, the Owner of the Unit is responsible for restoring the Unit as necessary to return the Unit to a safe and lawful condition that does not adversely affect the use or enjoyment of the other Units or Common Elements or detract from the general character or appearance of the Condominium Project. The plans and specifications for the restoration are subject to the Board's prior approval. The restoration shall be completed in accordance with the approved plans and specifications and the provisions of Article 9.

ARTICLE 10
AMENDMENT

10.1 Required Votes.

(a) This Declaration may be amended by the affirmative vote or written consent of the Owners of Units to which at least 67% of the votes in the Association are allocated.

(b) Amendments to this Declaration that are material in nature as specified below must also be approved by Eligible Holders holding First Mortgages on Units to which at least 51% of the votes in the Association that are allocated to Units subject to First Mortgages held by Eligible Holders. The approval of an Eligible Holder may be implied if the Eligible Holder fails to submit a response to any written proposal for amendment within 30 days after such Eligible Holder receives notice of the amendment proposal, provided the notice was delivered by certified or registered mail, return receipt requested. The following matters are those amendments which are material in nature and therefore must be approved in accordance with the provisions of this Section 10.1(b).

- (i) Voting rights;
- (ii) Responsibility for maintenance and repairs;
- (iii) Reallocation of interests in the Common Elements, or right to their use;
- (iv) Redefinition of the boundaries of the Condominium Project;
- (v) Convertibility of Units into Common Elements and vice versa;
- (vi) Expansion or contraction of the Condominium Project, or the addition, annexation or withdrawal of property to or from the Condominium Project;
- (vii) Hazard or fidelity insurance requirement;
- (viii) Imposition of any restrictions on the leasing of Units;
- (ix) Imposition of any restrictions on an Owner's right to sell or transfer his or her Unit;

(x) Restoration or repair of the Condominium Project after damage or partial condemnation in a manner other than that specified in this Declaration; or

(xi) Any provision that expressly benefits Eligible Holders.

10.2 Amending Documents. Except for any amendment that by the terms of this Declaration may be and is duly executed, acknowledged and Recorded by or on behalf of the Board, an amendment to this Declaration is effective only when all of the following events occur:

(a) Approved Writing. The amendment is reduced to a writing that is approved (by affirmative vote or written consent) by the Owners of Units to which at least the applicable required percentage of votes in the Association are allocated as provided for in Section 10.1.

(b) Certificate by Association. A written certificate, executed and acknowledged by the president or any other authorized officer of the Association, is attached to the written amendment which states that the amendment was approved by the applicable required percentage of Owners pursuant to Section 10.1.

(c) Recording. The approved written amendment described in Section 10.2(a) and the certificate described in Section 10.2(b) are Recorded.

(d) Presumption of Validity. After an amendment to this Declaration is Recorded, a presumption exists that all votes and approvals regarding the amendment were duly obtained and satisfy the requirements of this Declaration. The presumption may be rebutted by an action commenced within one year from the date the amendment is Recorded; in the absence of an action commenced within the one-year period, the presumption is deemed conclusive.

ARTICLE 11
MORTGAGEE PROVISIONS

11.1 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner priority over any rights of the First Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a Taking of the Common Elements.

11.2 Notice to Mortgagees. Any Eligible Holder shall be entitled to written notice from the Association of the following matters:

(a) Any condemnation loss or casualty loss that affects a material portion of the Property or that affects any Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Holder;

(b) Any 60-day delinquency in the payment of Assessments or charges owed by a Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Holder;

(c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action that requires the consent of a specific percentage of Eligible Holders.

ARTICLE 12
CONVEYANCING AND ENCUMBRANCING

12.1 Units. Any conveyance of a Unit includes an undivided interest in the Common Elements allocated to the Unit under this Declaration, regardless of whether the undivided interest is specifically described in the conveyance. A description of any Unit that sets forth (a) the identifying number of the Unit, (b) the name of the Condominium Project, (c) the date of recording and the recording data of this Declaration in the Records, and (d) the county in which the Condominium Project is located is, if included in an otherwise proper instrument, sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit but also the entire Condominium (i.e., "Unit ____, The Plaza at Wood Creek, County of Gunnison, State of Colorado, according to the Condominium Map Recorded January 22, 1982 at Reception No. 365068, and as defined and described in the Amended and Restated Condominium Declaration for The Plaza at Wood Creek Recorded _____, 20__, at Reception No. _____, in the office of the Clerk and Recorder of Gunnison County, Colorado"). A Person who becomes an Owner shall promptly notify the Association of its ownership of a Unit. An Owner may encumber its Unit as it sees fit, subject to the provisions of this Declaration. Any conveyance, encumbrance, judicial sale or other transfer, voluntary or involuntary, of an individual interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

12.2 Common Elements. Except as otherwise provided in CCIOA with respect to the termination of the Condominium Project, the Common Elements or portions of them may be conveyed or subjected to a lien or security interest by the Association in accordance with Section 312 of CCIOA, with the written approval of Owners of Units to which are allocated 67% of the votes in the Association. The conveyance or encumbrance does not affect the priority or validity of pre-existing encumbrances.

12.3 New Owner Liability.

(a) General. If any Unit is voluntarily or involuntarily transferred to any Person, the new Owner of the Unit is liable for all Assessments or Assessment installments against the Unit beginning as of the time of transfer; *provided* that the new Owner's interest in the Unit is subject to the Association's lien for any unpaid Assessments as of the date of the transfer pursuant to this Declaration.

(b) First Mortgage Foreclosure. Any First Mortgage is subject to the Association's lien, and any First Mortgagee acquiring title to a Condominium through foreclosure of a First Mortgage is liable, for any unpaid Assessments (i) which are delinquent at the time the First Mortgage is Recorded, or (ii) which become due after the First Mortgage is Recorded to the extent of an amount equal to Assessments based on the

Final Budget then applicable that would have become due during the six-month period immediately before the Association or any Person holding a lien senior to any part of the Association's lien commences an action or a nonjudicial foreclosure either to enforce or extinguish the lien.

(c) Reallocation. Without releasing the transferor from any liability for any unpaid Assessments, any unpaid portion of an Assessment which is not a lien by operation of Section 12.3(b) is part of the Common Expenses and collectible from all Owners liable for Common Expenses, including a new Owner or a First Mortgagee acquiring title to a Unit through foreclosure of a First Mortgage.

12.4 Estoppel Certificates. Within 14 days after receiving a written request from any Owner, Security Holder or a designee of either of them, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Managing Agent, the Association shall furnish to the requesting party, by personal delivery or by certified mail, first-class postage prepaid, return receipt requested, an estoppel certificate executed by an officer of the Association and addressed to the requesting party, stating any then unpaid Assessments due from the requesting Owner or the Owner of the Unit encumbered by the requesting Security Holder's Security for an Obligation, or stating that there are no unpaid Assessments due from such Owner, as the case may be. An estoppel certificate furnished by the Association pursuant to this Section 12.4 is binding on the Association, the Board and every Owner. Such Owner's Unit shall not be subject to a lien for any unpaid Assessments against the Unit to the extent that (a) the lien arises before the date of the certificate and the amount of the lien exceeds any unpaid amounts stated in the certificate, or (b) if the Association does not furnish an estoppel certificate pursuant to this Section 12.4, the unpaid Assessments are due as of the date of the request. The Association may charge the Owner of any Unit for which such an estoppel certificate is furnished, and the Owner shall pay, a reasonable fee for the preparation of the estoppel certificate in an amount determined by the Board from time to time.

ARTICLE 13 ENFORCEMENT

13.1 Enforcement Generally. This Declaration, the Articles and the Bylaws constitute a general scheme benefiting each Unit and the Property as a whole and may be enforced by the Association or an aggrieved Owner in accordance with the terms of this Declaration. All of the remedies set forth in this Declaration and the Bylaws shall be cumulative of each other and any other remedies available at law or in equity. Therefore, subject to the terms and conditions of this ARTICLE 13, including without limitation, Section 13.4, and except as otherwise expressly provided elsewhere in this Declaration, the Association and any aggrieved Owner may prosecute a proceeding at law or in equity against any Person violating or attempting to violate the provisions of this Declaration, the Articles or the Bylaws, including, without limitation, an action for a temporary restraining order, preliminary injunction and permanent injunction, in addition to other remedies afforded such party pursuant to this Declaration.

13.2 Additional Enforcement Rights of the Association. In addition to its other rights provided under this Declaration, if any Owner fails to comply with this Declaration, the Articles,

the Bylaws or the Rules, after notice to the non-compliant Owner and an opportunity to be heard in accordance with the Bylaws and/or Rules, the Association may (a) temporarily suspend the Owner's right to use or enjoy any of the Recreational Amenities; (b) impose fines or sanctions; (c) exercise self-help to cure any violations of this Declaration, the Articles, the Bylaws or the Rules that an Owner or its Permittee fails to cure after written notice of such default; or (d) suspend any services it provides to any Owner who is more than 15 days delinquent in paying any Assessment or other charge due to the Association following written notice of default.

13.3 Prerequisites to Owner Enforcement. In accordance with and furtherance of Section 124 of CCIOA, before an aggrieved Owner may prosecute any proceeding at law or in equity enforcing the provisions of this Declaration or seeking other relief relating to a violation or attempted violation of the provisions of this Declaration, the Owner shall first give written notice to the Board specifying the violation or attempted violation of the provisions of this Declaration, the facts and circumstances surrounding the violation, and the name of the Person alleged to have violated or attempted to violate the provisions of this Declaration, and the Association shall have 60 days to attempt to resolve the violation. If the Association fails to enforce or cause enforcement of the violated provisions of this Declaration within such 60 day period, or the violation or attempted violation results or would result in direct and immediate physical damage to the Owner's Unit, then the aggrieved Owner may exercise any of its rights under this ARTICLE 13, including filing a lawsuit pursuant to Section 13.1, provided that the Owner must first comply with the requirements of Section 13.4.

13.4 Mediation. In accordance with and furtherance of Section 124 of CCIOA, the Association, its officers, directors and committee members, any Owner and all Persons subject to this Declaration agree to encourage the amicable resolution of disputes without the emotional and financial costs of litigation. Accordingly, each such party covenants and agrees that prior to instituting any litigation pursuant to this ARTICLE 13 with respect to any dispute under this Declaration other than those that are excluded below, the parties to the dispute will make every reasonable effort to resolve the dispute, including participating in mediation. Except as provided for below, prior to instituting a lawsuit pursuant to this ARTICLE 13, the party having a claim must submit the matter to mediation under the auspices of an independent mediation service designated by the Association, or such other mediation services mutually agreeable to the parties to the dispute. If the parties do not resolve the dispute within 60 days after the initiation of the mediation, the party making the claim may proceed with litigation under this ARTICLE 13. The requirement for mediation shall not apply to the following matters: (a) any suit by the Association to collect Assessments or other charges due under this Declaration; or (b) any suit by a party to obtain a temporary restraining order or preliminary injunction in order to preserve the Property from direct and immediate physical damage.

13.5 No Waiver. In no event shall the Association's or an Owner's failure to enforce any covenant, restriction or rule provided for in this Declaration, the Articles, Bylaws, or the Rules constitute a waiver of the Association's or the Owner's right to later enforce such provision or any other covenant, restriction or rule.

13.6 Attorney's Fees. Any Person attempting to enforce the provisions of this Declaration, the Articles or the Bylaws, including, without limitation, attempting to collect delinquent Assessments pursuant to Section 7.6, regardless of whether a suit is initiated, may

644353

1/12/2017 12:41:49 PM 39 of 47

Gunnison County, CO

recover reasonable attorneys' fees and other legal costs incurred in successfully enforcing the provision to the extent provided in Section 123 of CCIOA. Any Owner who is successful in defending such a claim raised against it is also entitled to reasonable attorneys' fees and other legal costs it incurs in successfully defending such a claim to the extent provided in Section 123 of CCIOA. If the Person is an Owner, the amount of the fees and costs constitute a lien against the Owner's Unit which may be foreclosed in accordance with Section 7.6.

ARTICLE 14
GENERAL PROVISIONS

14.1 CCIOA; Severability. If any of the terms, conditions, provisions, sections or clauses of this Declaration conflict with any provision of CCIOA, the provisions of CCIOA control unless CCIOA permits this Declaration to override CCIOA, in which event this Declaration controls. The invalidity of any covenant, restriction, condition, limitation or provision of this Declaration or the application of any of them to any person or circumstance shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any covenant, restriction, condition, limitation or provision to any other person or circumstances.

14.2 Termination. The Condominium Project and this Declaration may be terminated only in accordance with the terms of CCIOA.

14.3 Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the ownership and operation of the Condominium Project. Whenever appropriate, singular terms may be read as plural, plural terms may be read as singular, and the neuter gender may be read as the feminine or masculine gender. The titles, headings and captions used throughout this Declaration are for convenience only and may not be used to construe this Declaration or any part of it. All exhibits attached hereto are incorporated herein and made a part of this Declaration for all purposes.

14.4 Notices. Except for notices concerning meetings of the Association or the Board, which shall be given in the manner provided in the Bylaws, any notices required or permitted under this Declaration or the Bylaws to be given to any Owner, the Association, the Board or any Security Holder shall be sent by certified mail, first-class postage prepaid, return receipt requested, to the intended recipient at, in the case of notices to an Owner, the address of such Owner at its Unit or such other address provided to the Association; in the case of notices to the Association or the Board, the address of the Association's registered agent; or in the case of notices to a Security Holder, the address most recently given to the Association by notice from such Person. All notices are deemed given and received three business days after mailed as provided in the previous sentence. Any Owner or Security Holder may change its address for purposes of notice by notice to the Association in accordance with this Section 14.4. The Association or the Board may change its address for purposes of notice by notice to all Owners in accordance with this Section 14.4. Any such change of address is effective five days after the required notice is given.

14.5 Partition. The Common Elements are not subject to partition. Any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an

644353

1/12/2017 12:41:49 PM 40 of 47

Gunnison County, CO

undivided interest in the Common Elements made separately from the Unit to which that interest is allocated is void. Nothing in this Section 14.5 prevents the sale or encumbrance of all or a portion of the Common Elements in accordance with Section 12.2.

14.6 Taxation of Units. Upon Recording this Declaration, the Association shall deliver a copy of it to the assessor of Gunnison County in accordance with Section 105(2) of CCIOA. Each Unit, together with its Common Allocation of the Common Elements, constitutes a separate parcel for purposes of real estate assessment and taxation. The Common Elements shall be assessed against each Unit in accordance with the Unit's Common Allocation and may not be separately assessed or taxed.

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644353

1/12/2017 12:41:49 PM 41 of 47

Gunnison County, CO

IN WITNESS WHEREOF, the Association has executed this Declaration.

THE ASSOCIATION:

THE PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION, a Colorado nonprofit corporation

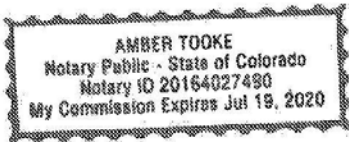
By: David Reed
David Reed, President

STATE OF COLORADO)
) ss:
COUNTY OF GUNNISON)

The foregoing Amended and Restated Declaration was acknowledged before me this 3 day of January, 2017, by David Reed, as President of The Plaza at Wood Creek Condominium Association, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 7/19/2020



Alaina
Notary Public

644353

1/12/2017 12:41:49 PM 42 of 47

Gunnison County, CO

EXHIBIT A
COMMON ALLOCATIONS

Unit No.	Type of Unit	Approximate Square Footage	Common Allocation
31A	Residential	508	0.726%
31B	Residential	582	0.832%
33	Residential	1,206	1.724%
34	Residential	1,284	1.836%
35	Commercial	2,480	3.545%
131	Residential	1,060	1.515%
132	Residential	1,060	1.515%
133	Residential	1,343	1.920%
134	Residential	1,343	1.920%
135	Residential	1,060	1.515%
136	Residential	1,060	1.515%
231	Residential	1,060	1.515%
232	Residential	1,060	1.515%
233	Residential	1,343	1.920%
234	Residential	1,343	1.920%
235	Residential	1,060	1.515%
236	Residential	1,060	1.515%
237	Residential	1,060	1.515%
238	Residential	1,060	1.515%
239	Residential	1,343	1.920%
240	Residential	1,343	1.920%
241	Residential	1,060	1.515%
242	Residential	1,060	1.515%
331	Residential	1,060	1.515%
332	Residential	1,060	1.515%
333	Residential	1,343	1.920%
334	Residential	1,343	1.920%
335	Residential	1,060	1.515%
336	Residential	1,060	1.515%
337	Residential	1,060	1.515%
338	Residential	1,060	1.515%
339	Residential	1,343	1.920%
340	Residential	1,343	1.920%
341	Residential	1,060	1.515%
342	Residential	1,060	1.515%

644353

1/12/2017 12:41:49 PM 43 of 47

Gunnison County, CO

431	Residential	1,060	1.515%
432	Residential	1,060	1.515%
433	Residential	1,343	1.920%
434	Residential	1,343	1.920%
435	Residential	1,060	1.515%
436	Residential	1,060	1.515%
437	Residential	1,060	1.515%
438	Residential	1,060	1.515%
439	Residential	1,343	1.920%
440	Residential	1,343	1.920%
441	Residential	1,060	1.515%
442	Residential	1,060	1.515%
531	Residential	1,060	1.515%
532	Residential	1,060	1.515%
535	Residential	1,060	1.515%
536	Residential	1,060	1.515%
537	Residential	1,060	1.515%
538	Residential	1,060	1.515%
539	Residential	1,343	1.920%
540	Residential	1,343	1.920%
541	Residential	1,060	1.515%
542	Residential	1,060	1.515%
637	Residential	1,060	1.515%
638	Residential	1,060	1.515%
641	Residential	1,060	1.515%
642	Residential	1,060	1.515%
Total		69,948	100.00%

644353

1/12/2017 12:41:49 PM 44 of 47

Gunnison County, CO

EXHIBIT B

RECORDED EASEMENTS AND LICENSES

1. License Agreement recorded May 5, 1992 at Reception No. 433832.
2. Grant of Easement and Easement Agreement recorded January 8, 2001 at Reception No. 507930.
3. Judgment and Decree Quieting Title recorded October 29, 2004, at Reception No. 547828.

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644353

1/12/2017 12:41:49 PM 45 of 47

Gunnison County, CO

EXHIBIT C

**DECEMBER 8, 2016 ORDER ON PETITION FOR JUDICIAL AMENDMENT ON
DECLARATION, NO. 2015 CV 30018 (GUNNISON COUNTY DISTRICT COURT)**

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644353

1/12/2017 12:41:49 PM 46 of 47

Gunnison County, CO

GUNNISON COUNTY DISTRICT COURT, SEVENTH JUDICIAL DISTRICT, COLORADO Clerk: 108 E Georgia Street, Gunnison, CO 81230 Court: 117 N Iowa, Gunnison, CO 81230 970-641-3500	▲ COURT USE ONLY ▲ Case No. 2015CV 36018
Petitioner: ANDREW MAZLOOM Respondents: THE PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION, INC. , a Colorado non- profit corporation and common interest community	
ORDER ON PETITION FOR JUDICIAL AMENDMENT OF DECLARATION	

THIS MATTER comes before the Court on Respondent The Plaza at Wood Creek Condominium Association, Inc. (the Association)'s petition for an order authorizing the amendment of the declaration governing the Plaza at Wood Creek (the Project) pursuant to C.R.S. § 38-33.3-217(7).

The Plaza at Wood Creek has been governed by its original declaration, recorded in the Gunnison County real property records on January 22, 1982 as Reception No. 365069 (the 1982 Declaration). The Association undertook an effort to amend and restate the 1982 Declaration in its entirety, but was unsuccessful in obtaining the consent of the all of the required parties.

Because the Association was not able to obtain all of the required consents in order to amend and restate the 1982 Declaration, it filed a petition for judicial amendment on October 11, 2016, pursuant to C.R.S. § 38-33.3-217(7)(a) and (b). The Court then set this hearing, pursuant to section 217(7)(c); and on (or before) October 24, 2016 the Association provided the required notice of the hearing to all owners of units within the Project and all lenders holding a deed of trust on any unit in the Project pursuant to section 217(7)(d).

On December 8, 2016, the Court held the duly noticed hearing required by section 217(7)(e). At that hearing, the Association established all of the predicates and requirements for judicial amendment of the 1982 Declaration set forth in C.R.S. § 38-33.3-217(7).

Accordingly, pursuant to C.R.S. 38-33.3-217(7)(f), the Court APPROVES the Amended and Restated Declaration for the Plaza at Wood Creek that was attached to the petition for judicial amendment, and ORDERS that the Amended and Restated Declaration be recorded in Gunnison County. Upon recording, and pursuant to this Order and C.R.S. § 38-33.3-217(7), the Amended and Restated Declaration shall become effective and shall amend, restate and replace the 1982 Declaration in its entirety.

644353

1/12/2017 12:41:49 PM 47 of 47

Gunnison County, CO

DONE this 8th day of December, 2016.


The Hon. James Steven Patrick,
District Court Judge



CERTIFIED TO BE A TRUE AND CORRECT
COPY OF ORIGINAL IN MY CUSTODY

DATED: 12-8-16
CLERK: [Handwritten Signature]

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EXHIBIT B

COPY OF THE AMENDED AND RESTATED BYLAWS

[See attached]

**AMENDED AND RESTATED BYLAWS
OF
THE PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION**

50585006.4

TABLE OF CONTENTS

Article 1 GENERAL..... 1

 Section 1.1 Purpose of Bylaws..... 1

 Section 1.2 Controlling Laws and Instruments..... 1

Article 2 OFFICES..... 1

 Section 2.1 Principal Office..... 1

 Section 2.2 Registered Office and Agent..... 1

Article 3 MEMBERS AND VOTING RIGHTS 2

 Section 3.1 General 2

 Section 3.2 Authorized Representative..... 2

 Section 3.3 Transfer of Memberships on Association Books..... 3

 Section 3.4 Resignation of Members..... 3

 Section 3.5 Membership Termination; Member Sanctions 3

 Section 3.6 Purchase of Memberships by Association..... 3

 Section 3.7 Resolution of Voting Disputes..... 3

Article 4 MEETINGS OF MEMBERS..... 3

 Section 4.1 Place of Members’ Meetings 3

 Section 4.2 Annual Meetings of Members 4

 Section 4.3 Special Meetings of Members 4

 Section 4.4 Record Date 4

 Section 4.5 Notice of Members’ Meetings 4

 Section 4.6 Proxies 4

 Section 4.7 Quorum at Members’ Meeting..... 5

 Section 4.8 Adjournments of Members’ Meetings 5

 Section 4.9 Vote Required at Members’ Meeting..... 5

Section 4.10	<u>Officers of Meetings</u>	6
Section 4.11	<u>Expenses of Meetings</u>	6
Section 4.12	<u>Waiver of Notice</u>	6
Section 4.13	<u>Action of Members Without a Meeting</u>	6
Section 4.14	<u>No Action by Mail Ballot</u>	6
Section 4.15	<u>Meetings by Telecommunication</u>	6
Section 4.16	<u>Conduct of Meetings</u>	7
Article 5	BOARD OF DIRECTORS	7
Section 5.1	<u>General Powers and Duties of Board</u>	7
Section 5.2	<u>Special Powers and Duties of Board</u>	7
Section 5.3	<u>Limitation on Power to Institute Legal Proceedings</u>	7
Section 5.4	<u>General Standards of Conduct for Directors and Officers</u>	7
Section 5.5	<u>Qualification of Directors</u>	8
Section 5.6	<u>Number and Term of Directors</u>	8
Section 5.7	<u>Election of Directors</u>	8
Section 5.8	<u>Removal of Directors</u>	8
Section 5.9	<u>Resignation of Directors</u>	8
Section 5.10	<u>Vacancies in Directors</u>	8
Section 5.11	<u>General Provisions Applicable to Committees</u>	8
Section 5.12	<u>Manager or Managing Agent</u>	9
Section 5.13	<u>Conflict of Interest Policy</u>	9
Article 6	MEETINGS OF DIRECTORS	9
Section 6.1	<u>Place of Directors' Meetings</u>	9
Section 6.2	<u>Annual Meeting of Directors</u>	9
Section 6.3	<u>Special Meetings of Directors</u>	9

Section 6.4	<u>Notice of Directors' Meetings</u>	9
Section 6.5	<u>Proxies</u>	10
Section 6.6	<u>Quorum of Directors</u>	10
Section 6.7	<u>Adjournment of Director's Meetings</u>	10
Section 6.8	<u>Vote Required at Directors' Meeting</u>	10
Section 6.9	<u>Waiver of Notice</u>	10
Section 6.10	<u>Action of Directors Without a Meeting</u>	10
Section 6.11	<u>Meeting Attendance: Open Meetings; Executive Sessions</u>	11
Section 6.12	<u>Conduct of Meetings</u>	11
Article 7	OFFICERS	11
Section 7.1	<u>Officers, Employees, and Agents</u>	11
Section 7.2	<u>Appointment and Term of Office of Officers</u>	12
Section 7.3	<u>Removal of Officers</u>	12
Section 7.4	<u>Resignation of Officers</u>	12
Section 7.5	<u>Vacancies in Officers</u>	12
Section 7.6	<u>President</u>	12
Section 7.7	<u>Vice President</u>	12
Section 7.8	<u>Secretary</u>	12
Section 7.9	<u>Treasurer</u>	12
Section 7.10	<u>Authority of Officers to Amend Declaration</u>	13
Article 8	MISCELLANEOUS	13
Section 8.1	<u>Amendment of Bylaws</u>	13
Section 8.2	<u>Compensation of Officers, Directors, and Members</u>	13
Section 8.3	<u>Books and Records</u>	13
Section 8.4	<u>Annual Report</u>	13

Section 8.5	<u>Audit</u>	14
Section 8.6	<u>Corporate Reports</u>	14
Section 8.7	<u>Fiscal Year</u>	14
Section 8.8	<u>Financial Records</u>	14
Section 8.9	<u>Seal</u>	14
Section 8.10	<u>Shares of Stock and Dividends Prohibited</u>	14
Section 8.11	<u>Minutes and Presumptions Thereunder</u>	14
Section 8.12	<u>Checks, Drafts, and Documents</u>	14

AMENDED AND RESTATED BYLAWS
OF
THE PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION

ARTICLE 1
GENERAL

Section 1.1 Purpose of Bylaws. These Amended and Restated Bylaws of The Plaza at Wood Creek Condominium Association (these “Bylaws”) are adopted for the regulation and management of the affairs of The Plaza at Wood Creek Condominium Association (the “Association”). The Association is organized as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, Section 7 121 101, C.R.S., et seq. (the “Nonprofit Act”), in conformance with the Colorado Common Interest Ownership Act, Section 38 33.3 101, C.R.S., et seq. (“CCIOA”), and it is the “Association” to which the Amended and Restated Condominium Declaration for The Plaza at Wood Creek recorded in the real property records of Gunnison County, Colorado, on January 12, 2017, at Reception No. 644353 (the “Declaration”) refers. Initially capitalized terms used but not defined in these Bylaws have the same definition as in the Declaration.

Section 1.2 Controlling Laws and Instruments. These Bylaws amend and restate the Bylaws of The Plaza at Wood Creek Condominium Association dated November 23, 1982, as amended by that certain First Amendment to Bylaws of the Association dated as of May 13, 2010, in their entirety. These Bylaws are controlled by the provisions of the Nonprofit Act, CCIOA, the Declaration, the Condominium Map of The Plaza at Wood Creek (the “Map”), and the Articles of Incorporation of the Association filed with the Secretary of State of Colorado (the “Articles”), as any of them may be amended from time to time. The Declaration, the Map, the Articles, and these Bylaws, together with any exhibits or attachments thereto, are hereinafter collectively referred to as the “Condominium Instruments.”

ARTICLE 2
OFFICES

Section 2.1 Principal Office. The Board of Directors of the Association (the “Board”), in its discretion, may fix and may change the location of the principal office of the Association from time to time. Within 90 days after any change in location of the principal office, the Association will make such updated information available to any “Member” (as defined below in Section 3.1) upon reasonable notice.

Section 2.2 Registered Office and Agent. The Board may change the Association’s initial registered office and initial registered agent specified in the Articles at any time by filing a statement as specified by law in the Office of the Secretary of State of Colorado. At all times, the street addresses of the Association’s registered office and the business office of the Association’s registered agent shall be identical. Within 90 days after any change in the Association’s registered agent or registered office, the Association will make such updated information available to any Member upon reasonable notice.

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ARTICLE 3
MEMBERS AND VOTING RIGHTS

Section 3.1 General. By this reference, these Bylaws incorporate the membership and voting rights provisions of the Declaration. Each Owner of a Unit is a member of the Association (a "Member"). An Owner's membership in the Association is hereinafter referred to as a "Membership." Each Membership is appurtenant to the fee simple title to a Unit. The Owner of fee simple title to a Unit is automatically the holder of the Membership appurtenant to the Unit, and the Membership automatically passes with fee simple title to the Unit. By accepting a deed for any Unit, each Owner has consented to becoming a Member.

Section 3.2 Authorized Representative. Any Owner that is not a natural person (i.e., an estate or a trust, corporation, partnership, limited liability company or other entity) shall appoint a natural person as such Owner's attorney in fact and authorized representative (an "Authorized Representative") and may vote only through its Authorized Representative. If title to a Unit is held by more than one individual and/or entity, such Owners shall appoint an Authorized Representative and may vote only through its Authorized Representative. Any Owner who is a natural person may appoint a proxy to vote on behalf of the Owner in matters coming before the Members of the Association, provided that if such proxy is not a natural person, such proxy shall appoint an Authorized Representative pursuant to this Section 3.2. Any Owner required to appoint an Authorized Representative will do so immediately upon becoming an Owner. Notwithstanding the foregoing, to the extent an Owner fails to appoint an Authorized Representative, the Board may appoint the Authorized Representative for that Unit. Any Owner who is required or elects to appoint an Authorized Representative will notify the Association of its Authorized Representative or any subsequent replacement for its Authorized Representative within 10 days after appointment. The notice will (i) be signed by all Persons constituting the Owner, (ii) be dated, and (iii) contain a statement that the natural person named as the Authorized Representative in the notice will remain the Authorized Representative of that Owner until a subsequent notice is given to the Association (A) appointing a replacement Authorized Representative or (B) in the case of an Authorized Representative appointed by an Owner who is a natural person, terminating the appointment of the Authorized Representative. The notice will have the effect of a proxy given by all Persons constituting that Owner to the Authorized Representative named in the notice for all purposes under the Condominium Instruments, CCIOA, and the Nonprofit Act, except that the duration of the notice will be perpetual or as stated therein. The appointment of an Authorized Representative is binding upon all Persons comprising the appointing Owner and the vote of the Authorized Representative is conclusive as to the Association, unless and until the Association receives (A) a notice appointing a replacement Authorized Representative or (B) in the case of an Authorized Representative appointed by an Owner who is a natural person, a notice terminating the appointment of the Authorized Representative. Upon receiving any notice appointing an Authorized Representative, the Association may request additional evidence of authority that it reasonably deems necessary to verify the due appointment of the named Authorized Representative. If an Owner who is required or elects to appoint an Authorized Representative owns more than one Unit, the Owner may appoint (1) a single natural person to serve as Authorized Representative for all of its Units, or (2) a different natural person to serve as Authorized Representative for each of its Units or any number of its Units. Unless the context clearly indicates otherwise, the term "Member" as used in these Bylaws means a Member or its Authorized Representative.

Section 3.3 Transfer of Memberships on Association Books. Transfers of Memberships will be made on the Association's books only upon presentation of evidence, satisfactory to the Board, of the sale, transfer, succession, disposition, foreclosure or other transfer of the Unit to which the Membership is appurtenant.

Section 3.4 Resignation of Members. No Member may resign from the Association. An Owner's Membership in the Association shall terminate only upon the conveyance by such Member of all of such Member's ownership interests in any and all Units in the Condominium Project.

Section 3.5 Membership Termination; Member Sanctions. No Member may be expelled from the Association, and no Member's Membership may be terminated as long as such Member is an Owner. Notwithstanding the foregoing, if any Member fails to comply with any provision of the Condominium Instruments, the Association may impose such enforcement sanctions as are provided for in the Declaration or Rules. Prior to any Member being sanctioned by the Association, the Board shall provide such Member with notice of the pending sanction and an opportunity for a hearing before the Board. Written notice of the foregoing, detailing the date, time and place of the hearing and the nature of the alleged violation, will be delivered to such Member not less than 15 days prior to the date set by the Board for the hearing. At such hearing, the Member shall be given a reasonable opportunity to explain or defend such Member's actions, after which the Board, upon finding that such Member violated the Community Instruments or the rules and regulations, may impose such sanctions, including, without limitation imposing monetary fines and suspending services provided by the Association to the Member pursuant to the Declaration, which, in the reasonable discretion of the Board, are reasonably commensurate with the scope of the violation committed by the Member and which sanctions shall take effect no sooner than five days after the date of such hearing.

Section 3.6 Purchase of Memberships by Association. The Association shall not purchase the Membership of any Member.

Section 3.7 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of the Members, the Board shall act as arbitrators; and the decision of a disinterested majority of the Board shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as the same may be amended. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of the Members has been duly called pursuant to the provisions of these Bylaws if a quorum is present at such meeting.

ARTICLE 4 MEETINGS OF MEMBERS

Section 4.1 Place of Members' Meetings. Meetings of the Members will be held at the principal office of the Association or at another place in Gunnison County, Colorado specified in the notice of the meeting.

Section 4.2 Annual Meetings of Members. Annual meetings of the Members will be held each year at the time of day fixed in accordance with a resolution of the Board and specified in the notice of meeting, must include the opportunity for Members to speak regarding an issue to the extent required by Section 308(2.5)(b) of CCIOA. The annual meetings will be held to transact the business that properly comes before the meeting and may include Member education as required by Section 209.7 of CCIOA.

Section 4.3 Special Meetings of Members. Special meetings of the Members may be called by the Board of the Association, the President of the Association, or by the Members holding not less than 25% of the total votes in the Association. Subject to any limitations under Colorado law, the types of business that may be transacted at a special meeting of the Members shall not be limited to business within the purpose or purposes described in the notice of such meeting.

Section 4.4 Record Date. For the purpose of determining the Members entitled to notice of, or to vote at, any meeting of the Members, or for the purpose of determining such Members for any other proper purpose, the Board of the Association may fix in advance a future date as the record date for any determination of the Members. The record date may not be more than 70 days prior to the meeting of the Members or the event requiring a determination of the Members.

Section 4.5 Notice of Members' Meetings. Written notice of any meeting of the Members will be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by first class or registered mail to each Member entitled to vote at the meeting. The notice must also be physically posted in a conspicuous place and sent by electronic mail to Members who have provided an electronic mail address to the Association, to the extent that either is feasible and practical. The notice of any meeting will state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a member of the Board. If mailed, the notice will be deemed to be delivered five business days after it is deposited in the United States mail, first class postage prepaid, addressed to the Member at the mailing address for the Member appearing in the Association's records, or if the Member has not furnished a mailing address to the Association, then to the mailing address of the Member's Unit.

Section 4.6 Proxies.

(a) In addition to the appointment of an Authorized Representative pursuant to Section 3.2 of these Bylaws, a Member that is entitled to vote may vote in person or by proxy if the proxy is executed in writing by the Member and delivered to the secretary of the meeting prior to the time the proxy is exercised. A Member may appoint a proxy by signing an appointment form, either personally or by the Member's attorney in fact, or by transmitting or authorizing the transmission of an electronic transmission providing a written statement of the appointment to the proxy or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association, except that the transmitted appointment shall set forth or be transmitted with

written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(b) A proxy may be revoked by a written revocation filed with any officer of the Association at the meeting prior to the time the proxy is exercised or by voting in person. A proxy automatically ceases upon a change in the ownership of the Membership on the Association's books. No proxy is valid after 11 months from the date of its execution unless otherwise provided in the proxy appointment form. Any form of proxy or written ballot furnished or solicited by the Association will afford an opportunity for the Members to specify on the form a choice between approval and disapproval of each matter or group of related matters which is known, at the time the form of proxy or written ballot is prepared, may come before the meeting and will provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any matter, the vote will be cast in accordance with the Member's choice.

Section 4.7 Quorum at Members' Meeting. The presence at a meeting of the Members, in person or by proxy, of Members entitled to cast a majority (i.e., more than 50%) of the votes in the Association that may be cast on a matter that comes before the meeting constitutes a quorum at any meeting of the Members concerning that matter. The Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding that some of the Members withdraw, leaving less than a quorum.

Section 4.8 Adjournments of Members' Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum is present in person or by proxy, without notice other than announcement at the meeting for a total period or periods of not to exceed 60 days after the date set for the original meeting. At any adjourned meeting held without notice other than announcement at the meeting, the quorum requirement may not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called. Notwithstanding the foregoing, if the adjourned meeting is set for a date that is more than 70 days after the record date initially fixed for the meeting pursuant to Section 4.4 of these Bylaws, then notice of the adjourned meeting (pursuant to Section 4.5 of these Bylaws) must be given to the Members of record as of the new record date fixed for such adjourned meeting pursuant to Section 4.4 of these Bylaws.

Section 4.9 Vote Required at Members' Meeting. At any meeting of the Members called and held in accordance with these Bylaws, if a quorum is present, the affirmative vote of Members entitled to cast a majority (i.e., more than 50%) of the votes, present and voting either in person or by proxy, which may be cast on a matter are necessary to adopt the matter, unless a different percentage is required by law or by the Condominium Instruments, in which case the different requirement controls. There shall be no cumulative voting for Directors (as defined in Section 5.6) or for any other action considered by the Members. At the discretion of the Board, or upon the request of 20% or more of the Members entitled to cast a vote, present and voting either in person or by proxy, a vote on any matter for which all Members are entitled to vote will be conducted by secret ballot, which will be counted by a neutral third party, or a committee of volunteers in accordance with Section 310(b)(1)(C) of CCIOA; provided, however, elections for Directors must be conducted by secret ballot. The Association is entitled to reject a

vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation in accordance with Section 310(2) of CCIOA if the person tabulating votes, acting in good faith, had reasonable basis to doubt the validity of the signature on it or about the signatory's authority to sign for the Member.

Section 4.10 Officers of Meetings. At any meeting of the Members, the President of the Association will act as chairman.

Section 4.11 Expenses of Meetings. The Association will bear the expenses of all annual and special meetings of the Members.

Section 4.12 Waiver of Notice. A waiver of notice of any meeting of the Members, signed by a Member, whether before or after the meeting, is equivalent to giving notice of the meeting to the Member. Attendance of a Member at a meeting, either in person or by proxy, constitutes waiver of notice of the meeting except when the Member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 4.13 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting if a written consent setting forth the action taken is signed by all of the Members entitled to vote on the subject matter of the action. In order for any action taken without a meeting to be effective, the written consent of all Members entitled to vote on the subject matter of the action must be received by the Association within 60 days after the earliest date upon which the Association received any such written consent. Action taken without a meeting shall be effective when the last written consent necessary to effect the action is received by the Association (the "Effective Date"), unless the written consents set forth a different Effective Date. Any Member submitting a written consent under this Section 4.13 may revoke such consent by a writing signed and dated by the Member describing the action and stating that the Member's prior consent thereto is revoked, provided that such writing is received by the Association before the Effective Date. The record date for determining Members entitled to take action without a meeting or to receive notice of such action shall be the date that the first written consent concerning the action is received by the Association.

Section 4.14 No Action by Mail Ballot. No action may be taken by the Members through a mail ballot procedure, as described in Section 7-127-109 of the Nonprofit Act, or through any other mail in or similar procedure now or in the future authorized by statute or otherwise.

Section 4.15 Meetings by Telecommunication. Any or all of the Members may participate in an annual, regular, or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.16 Conduct of Meetings. This Article 4 is and will constitute the Association's responsible governance policy regarding conduct of meetings of the Members as required by Section 209.5(1)(b)(III) of CCIOA.

ARTICLE 5 BOARD OF DIRECTORS

Section 5.1 General Powers and Duties of Board. The Board has the duty to manage and supervise the affairs of the Association and has all powers necessary or desirable to permit it to do so. Without limiting the generality of the previous sentence, the Board has the power to exercise or cause to be exercised for the Association, all of the powers, rights, and authority of the Association not reserved to the Owners in the Condominium Instruments, the Nonprofit Act, or CCIOA. The Board may delegate any portion of its authority to an officer or manager of the Association. In addition, the Board may not act on behalf of the Association to amend the Declaration, to terminate the Condominium Project, or to elect members of the Board or determine the qualifications, powers and duties, or terms of office of Directors, but the Board may fill vacancies in any Director position for the unexpired portion of any term pursuant to Section 5.10.

Section 5.2 Special Powers and Duties of Board. Without limiting the general powers and duties set forth in Section 5.1, the Board has all of the powers and duties set forth in the Declaration.

Section 5.3 Limitation on Power to Institute Legal Proceedings. Notwithstanding anything to the contrary contained herein, the Board shall not have the power to commence any judicial or administrative proceeding, including, without limitation, any form of alternative method of dispute resolution or brought to enforce a contract, lien, or the Declaration, without first obtaining the affirmative vote of Owners to whom are allocated at least 75% of the votes in the Association. This Section 5.3 shall not apply, however, to (i) actions brought by the Association to enforce the provisions of the Declaration (including, without limitation, the foreclosure of liens); (ii) the imposition and collection of Assessments as provided in the Declaration; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings instituted against it.

Section 5.4 General Standards of Conduct for Directors and Officers. To the extent not otherwise inconsistent with Colorado law, any Director and officer, in connection with the authority and powers granted to the Board and such officer by the Condominium Instruments or by any applicable law, including but not limited to, management, personnel, maintenance and operations, interpretation and enforcement of the Condominium Instruments, the development of rules and restrictions, insurance, contracts, and finance, shall act in good faith, with such care as an ordinarily prudent person in a like position would use under similar circumstances, and in a manner that such Director or officer believes is in the best interests of the Association. In discharging his or her duties, a Director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more officers or employees of the Association whom the Director or officer believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters which the Director or officer believes

to be within such person's professional or expert competence, so long as, in any such case, the Director or officer acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted. In addition to the limitations on liability set forth in the Articles, a Director or officer shall not be liable as such to the Association for any act or omission as such if, in connection with such act or omission, the Director or officer performed the duties of his or her position in compliance with this Section 5.4. A Director or officer shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association. With regard to the investment of any funds in the Reserve Fund, the officers of the Association and Directors must comply with the standard set forth in C.R.S. Section 7-128-401.

Section 5.5 Qualification of Directors. Each Director shall be a natural person who is 18 years of age or older and shall be an Owner or a designee of an Owner. Each Owner shall be permitted to have more than one designee for the purposes of this Section 5.5.

Section 5.6 Number and Term of Directors. The Board consists of five Directors (each, a "Director"). The number of Directors may be changed from time to time by the affirmative vote of a majority of the Directors, so long as at all times there are no less than three Directors and not more than ten Directors. The Directors shall serve staggered three-year terms. Each Director will serve until the earlier of the election and qualification of his or her successor, or his or her death, resignation or removal.

Section 5.7 Election of Directors. The Members shall elect the Directors. All elections for Directors shall be conducted by secret ballot. The Directors shall each serve until their successors are elected and qualified, or until their earlier death, resignation or removal.

Section 5.8 Removal of Directors. At any meeting of the Members called and held in accordance with these Bylaws at which a quorum is present, any Director may be removed, with or without cause, by the affirmative vote of Members entitled to cast 67% of the votes, present and voting either in person or by proxy, which may be cast in the election of that Director.

Section 5.9 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of his or her resignation. Acceptance of a resignation is not necessary to make the resignation effective.

Section 5.10 Vacancies in Directors. Any vacancy occurring in the position of a Director (other than vacancies occurring as a result of the expiration of the Director's term of office) may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. The term of the Director so elected shall be coincident with the term of the replaced Director.

Section 5.11 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon the Board or such Director by law. The provisions of these Bylaws with respect to notice of meetings, waiver

of notice, quorums, adjournments, vote required and action by consent applicable to meetings of the Board shall be applicable to meetings of committees of the Board.

Section 5.12 Manager or Managing Agent.

(a) The Board, by resolution adopted by a majority of the Directors in office, may employ for the Association a Managing Agent at a compensation established by the Board, to perform all or any part of the duties of the Association as the Board shall authorize; provided, however, that the Board in delegating such duties will not be relieved of its responsibility under the Declaration, the Nonprofit Act, or CCIOA. The Managing Agent will have and exercise those powers and will fulfill those duties of the Board as specified in the resolution.

(b) If those duties specified in the resolution delegate to the Managing Agent any power relating to the collection, deposit, transfer or disbursement of Association funds, then such Managing Agent shall (i) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000, or such higher amount as the Board may require; (ii) maintain all Association funds and accounts separate from the funds and accounts of other associations managed by such Managing Agent, and maintain all reserve accounts of such other associations separate from the operational accounts of the Association; and (iii) prepare and provide to the Association an annual accounting and financial statement for the Association funds, which accounting and financial statement may be prepared by the Managing Agent, a public accountant, or a certified public accountant.

ARTICLE 6
MEETINGS OF DIRECTORS

Section 6.1 Place of Directors' Meetings. Meetings of the Board will be held at the principal office of the Association or at another place in the United States specified in the notice of the meeting.

Section 6.2 Annual Meeting of Directors. Annual meetings of the Board will be held on the same date as, or within 10 days following, the annual meeting of the Members. The business conducted at the annual meeting of the Board will consist of the appointment of officers of the Association and the transaction of other business that properly comes before the meeting. No prior notice of the annual meeting of the Board is necessary if the meeting is held on the same day and at the same place as the annual meeting of the Members at which the Board is elected or if the time and place of the annual meeting of the Board is announced at the annual meeting of the Owners.

Section 6.3 Special Meetings of Directors. Special meetings of the Board may be called by the President or a majority of the Directors.

Section 6.4 Notice of Directors' Meetings. When notice is required for any meeting of the Board, notice stating the place, day, and hour of the meeting will be delivered not less than two nor more than 50 days before the date of the meeting, by mail, facsimile, telephone or personally, by or at the direction of the persons calling the meeting, to each Director. If

mailed, the notice will be deemed delivered five business days after it is deposited in the mail addressed to the Director at his or her home or business address as either appears in the records of the Association, with its first class postage prepaid. If by facsimile, the notice will be deemed delivered when facsimiled to the Director at his or her home or business facsimile number as either appears on the records of the Association. If by telephone, the notice will be deemed delivered when given by telephone to the Director or to any person answering the telephone who sounds competent and mature at the Director's home or business phone number as either appears on the records of the Association. If given personally, the notice will be deemed delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at the Director's home or business address as either appears on the records of the Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 6.5 Proxies. For purposes of determining a quorum of Directors with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

Section 6.6 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws constitutes a quorum for the transaction of business.

Section 6.7 Adjournment of Director's Meetings. The Directors present at any meeting of the Board may adjourn the meeting from time to time, whether or not a quorum is present, for a total period or periods not to exceed 30 days after the date set for the original meeting. Notice of an adjourned meeting will be given to all Directors. At any adjourned meeting, the quorum requirement will not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

Section 6.8 Vote Required at Directors' Meeting. At any meeting of the Board, if a quorum is present either in person or by proxy, the affirmative vote of a majority (i.e., more than 50%) of the Directors present is necessary, either in person or by proxy, for the adoption of a matter, unless a greater proportion is required by law or the Condominium Instruments.

Section 6.9 Waiver of Notice. A waiver of notice of any meeting of the Board, signed by a Director, whether before or after the meeting, is equivalent to giving notice of the meeting to the Director. Attendance of a Director at a meeting in person constitutes waiver of notice of the meeting, except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or conveyed.

Section 6.10 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if all of the Directors agree in writing to such action. Such action taken without a meeting shall not be effective unless and until all such writings necessary to effect the action, which have not been

revoked as provided herein below, are received by the Association; except that the writings may set forth a different effective date. Any Director who has signed and submitted a writing pursuant to this Section 6.10 may revoke such writing by a subsequent writing signed and dated by the Director describing the action and stating that the Director's prior vote with respect thereto is revoked, if such writing is received by the Association before the last writing necessary to effect the action is received by the Association.

Section 6.11 Meeting Attendance; Open Meetings; Executive Sessions.

(a) The Board may permit any Director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all persons participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

(b) All regular and special meetings of the Board shall be open to attendance by all Members of the Association or their representatives. Agendas for meetings of the Board shall be made reasonably available for examination by all Members of the Association or their representatives.

(c) The Board may hold an executive or closed door session and may restrict attendance to Directors and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session shall be limited to: (i) matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association; (ii) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (iii) investigative proceedings concerning possible or actual criminal misconduct; (iv) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; (v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; or (vi) review of or discussion relating to any written or oral communication from legal counsel. No rule or regulation shall be adopted during an executive session.

Section 6.12 Conduct of Meetings. This Article 6 is and will constitute the Association's responsible governance policy regarding the conduct of meetings of the Board as required under Section 209.5(1)(b)(III) of CCIOA.

ARTICLE 7
OFFICERS

Section 7.1 Officers, Employees, and Agents. The officers of the Association will consist of a President, one or more Vice Presidents, a Secretary, a Treasurer, and other officers, assistant officers, employees, and agents as the Board deems necessary. Any two or more offices may be held by the same person, except that no one person may simultaneously hold the positions of President and Secretary.

Section 7.2 Appointment and Term of Office of Officers. Each officer will be appointed by the Board at its annual meeting and will hold office, subject to the pleasure of the Board, until the next annual meeting of the Board or until the officer's successor is appointed, whichever is later, unless the officer resigns, or is removed earlier.

Section 7.3 Removal of Officers. Any officer, employee or agent appointed by the Board may be removed by the Board, with or without cause, whenever in the Board's judgment the best interests of the Association will be served by the removal. The removal of an officer, employee or agent will be without prejudice to the contract rights, if any, of the officer, employee or agent removed. Election or appointment of an officer, employee or agent does not itself create contract rights.

Section 7.4 Resignation of Officers. Any officer may resign by giving written notice to the President, the Secretary or to the Board stating the effective date of his or her resignation. Acceptance of the resignation is not necessary to make the resignation effective.

Section 7.5 Vacancies in Officers. Any vacancy occurring in any officer's position may be filled by appointment of a new officer by the Board. An officer appointed to fill a vacancy will be appointed for the unexpired term of his or her predecessor in office.

Section 7.6 President. The President will be the principal executive officer of the Association and, subject to the control of the Board, will direct, supervise, coordinate and have general powers generally attributable to the chief executive officer of a corporation. The President will preside at all meetings of the Board and of the Members.

Section 7.7 Vice President. A Vice President may act in place of the President in case of his or her death, absence or inability to act, and will perform other duties and have authority as is from time to time delegated by the Board or by the President. The Board may appoint more than one Vice President.

Section 7.8 Secretary. The Secretary will be the custodian of the records and the seal of the Association, if any, and will affix the seal, if any, to all documents requiring it; will see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law, and that the books, reports, other documents, and all records required to be kept by the Association under Section 8.3 of these Bylaws are properly kept and filed; will take or cause to be taken and will keep minutes of the meetings of the Members and of the Board; will keep at the principal office of the Association a record of the names and addresses of the Members and the Authorized Representative(s), if any, of each Member; and, in general, will perform all duties incident to the office of Secretary and other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his or her death, absence or inability to act.

Section 7.9 Treasurer. The Treasurer will have charge and custody of, and be responsible for, all funds and securities of the Association in depositories designated by the Board; will keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and will submit reports of them as the

Board requires from time to time; and, in general, will perform all the duties incident to the office of Treasurer and other duties as may from time to time be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence or inability to act.

Section 7.10 Authority of Officers to Amend Declaration. The President and, in the President's absence or unavailability, any Vice President, may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

ARTICLE 8 MISCELLANEOUS

Section 8.1 Amendment of Bylaws. Except as otherwise provided by the Nonprofit Act, the Board may alter, amend or repeal these Bylaws or adopt new Bylaws. The Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with the Declaration, the Articles, the Nonprofit Act, or CCIOA. The Members may also amend the Bylaws, subject to the same limitations on amendments set forth in this Section 8.1 and any other limitations set forth in the Nonprofit Act.

Section 8.2 Compensation of Officers, Directors, and Members. No Director or officer may receive any compensation from the Association for serving as a Director or officer except for reimbursement of expenses approved by resolution of disinterested Directors. Agents and employees of the Association will receive reasonable compensation, if any, approved by the Board. Appointment of a person as an agent or employee will not, itself, create any right to compensation.

Section 8.3 Books and Records. The Association shall keep correct and complete books and records of accounts and shall keep, at its principal office, those records required by Section 317 of CCIOA, a record of the names and addresses of its Members and copies of the Declaration, the Articles, these Bylaws and the Rules. All accounting records shall be kept using generally accepted accounting principles. All books and records of the Association, including the Articles and these Bylaws, as amended, and minutes of meetings of the Members and the Board, may be inspected and copied by any Member or such Member's agent or attorney for any proper purpose. The right of copying and inspection shall be subject to any reasonable rules adopted by the Board requiring advance notice of inspection, specifying hours and days of the week during which inspection will be permitted and establishing reasonable fees for any copies to be made or furnished, provided, however, that such rules confirm with the requirements of Section 317 of CCIOA. The provisions of this Section 8.3 constitute the Association's responsible governance policy regarding inspection and copying of Association records by Members as required by Section 209.5(1)(b)(V) of CCIOA.

Section 8.4 Annual Report. Within 90 days after the close of each fiscal year of the Association, the Board shall cause to be prepared and distributed to each Member, an annual report of the Association containing (a) an income statement reflecting income and expenditures of the Association for such fiscal year; (b) a balance sheet as of the end of such fiscal year; (c) a statement of the place of the principal office of the Association where the books and records of the Association, including a list of names and addresses of current Members, may

be found; and (d) all information and copies of corporate records required under Section 209.4 of CCIOA. In addition, the materials provided to each Member may include written educational material the Board deems appropriate to satisfy the requirements of Section 209.7 of CCIOA, to the extent such education is not conducted in person. Any or all of the items specified above may be distributed to Owners using one or more of the methods specified in Section 209.4(3) of CCIOA.

Section 8.5 Audit. At the discretion of the Board, or upon the request of at least one-third of the Owners of Units represented by the Association, the books and records of the Association will be subject to audit, using generally accepted accounting principles, pursuant to the provisions of Section 303(4)(b) of CCIOA.

Section 8.6 Corporate Reports. The Association will file with the Secretary of State of Colorado, within the time prescribed by law, corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law. The Association will pay the fee for the filing as prescribed by law.

Section 8.7 Fiscal Year. The fiscal year of the Association shall be determined by the Board.

Section 8.8 Financial Records. The Association shall keep financial records sufficiently detailed to enable the Association to comply with Section 316(8) of CCIOA concerning statements of unpaid assessments. All financial and other records shall be made reasonably available for examination by any Member or such Member's authorized agents.

Section 8.9 Seal. The Board may, but is not required to, adopt a seal on which is inscribed the name of the Association and the words "SEAL" and "COLORADO."

Section 8.10 Shares of Stock and Dividends Prohibited. The Association may not have or issue shares of stock, and may not pay any dividend or distribute any part of the Association's income or profit to its Members, Board, or officers. Notwithstanding the foregoing, the Association may issue certificates evidencing Membership, may confer benefits upon its Members conforming with its purposes, and, upon dissolution or final liquidation, may make distributions as permitted by law. No such payment, benefit, or distribution will be deemed to be a dividend or distribution of income or profit.

Section 8.11 Minutes and Presumptions Thereunder. Minutes or any similar records of the meetings of the Members or the Board, when signed by the Secretary, an Assistant Secretary, or acting Secretary of the meeting, are presumed to truthfully evidence the matters set forth in the minutes or records. A recitation in any such minutes that notice of the meeting was properly given is prima facie evidence that the notice was given.

Section 8.12 Checks, Drafts, and Documents. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, will be signed or endorsed by such person or persons, and in such manner as the Board determines by resolution from time to time.

CERTIFICATION OF ADOPTION

I, _____, as Secretary of The Plaza at Wood Creek Condominium Association certify that these Bylaws of The Plaza at Wood Creek Condominium Association were duly adopted the ____ day of _____, 2016, by the Board of The Plaza at Wood Creek Condominium Association.

By: _____
Name: _____
Title: Secretary

EXHIBIT C

COPY OF THE RULES AND REGULATIONS

[See attached]

**THE PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION
RULES AND REGULATIONS**

These Rules and Regulations (“**Rules and Regulations**”) of the Plaza at Wood Creek Condominium Association (the “**Association**”) are hereby adopted by the Board of the Association for the mutual benefit of all of the Owners of the Condominium Project, pursuant to the terms of the Amended and Restated Condominium Declaration for the Plaza at Wood Creek recorded in the real property records of Gunnison County, Colorado, on January 12, 2017, at Reception No. 644353 (the “**Amended and Restated Declaration**”), the Articles, the Responsible Governance Policies, the Bylaws and the authority of the Colorado Common Interest Ownership Act, Section 38 33.3 101, C.R.S., et seq. All capitalized terms not otherwise defined in these Rules and Regulations shall have the meanings ascribed to them in the Amended and Restated Declaration.

1. Animals. No animals or pets of any nature shall be allowed, kept, or maintained at the Condominium Project; provided, however, each Owner may keep and maintain domesticated dogs or cats so long as such pets are not a nuisance or obnoxious or troublesome to any other Owner, lessee or guest. The right to maintain domesticated dogs or cats as herein set forth shall be subject to the following conditions and regulations:

1.1 At all times when a domesticated dog or cat is upon the Common Elements of the Condominium Project, the dog or cat shall be under the direct physical control of the Owner. “Direct physical control” means upon a leash not more than seven feet in length held by the Owner responsible for the pet, in a travel cage, or in the arms of Owner responsible for the pet.

1.2 The Owner shall assume full responsibility and liability for any damage to persons or property caused by the pet.

1.3 The Owner shall be responsible for the pick-up and disposal of all animal feces deposited on the Common Elements of the Condominium Project.

1.4 Guests of an Owner shall be permitted to keep or maintain one pet upon the Condominium Project, provided that each guest shall pay a nonrefundable pet fee in the amount of \$50 per day of occupancy in a Residential Unit to the Association.

1.5 Lessees of an Owner with a short-term lease or rental agreement, pursuant to the terms and conditions of Section 4.7(c) of the Declaration, shall be permitted to keep or maintain one pet upon the Condominium Project, provided that such lessee shall pay (i) a nonrefundable pet fee in the amount of \$50 per day for any period of occupancy in a Residential Unit less than one week in duration or (ii) a nonrefundable pet fee in the amount of \$250 for any period of occupancy in a Residential Unit that exceeds one week in duration.

1.6 Lessees of an Owner with a long-term lease, pursuant to Section 4.7(b) of the Declaration, shall be permitted to keep or maintain one pet upon the Condominium Project, provided that each long-term lessee shall pay a nonrefundable pet fee in the amount of \$250 per lease term to the Association.

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Rules and Regulations
THE PLAZA AT WOOD CREEK
CONDOMINIUM ASSOCIATION

1.7 The right to maintain a pet upon the Condominium Project is subject to revocation and termination at any time by the Board in its sole discretion that such pet is either vicious, a nuisance, obnoxious, or dangerous to any Owner, lessee or guest.

2. Occupancy of Common Elements.

2.1 Owners, guests and lessees shall maintain as low a noise level as is reasonably possible at all times, and in no event may maintain noise levels which are offensive to other Owners, guests and lessees within the Condominium Project, particularly between the hours of 10:00 p.m. and the following 8:00 a.m.

2.2 Owners, guests and lessees shall not use the Common Elements, including the Recreational Amenities, within Condominium Project as play areas.

2.3 No Owner, guest or lessee shall solicit sales or distribute advertising materials upon the Common Elements of the Condominium Project without the prior approval of the Board or the Managing Agent.

2. Recreational Equipment. No recreational equipment shall be parked, stored, or maintained in the Parking Garage for a period of more than two weeks without the permission of the Board or the Managing Agent. "Recreational Equipment" means boats, campers, and trailers of every nature and description, tents, snowmobiles, motorcycles, or other similar equipment or devices.

3. Home Occupations. No home occupations of any nature shall be allowed within the Residential Units or the Employee Housing in the Condominium Project.

4. Motor Vehicles. No more than two motor vehicles shall be kept, maintained, or allowed in the Parking Garage for each Residential Unit. No motor vehicles shall remain parked in the Parking Garage unless the same are in a good working condition and used for actual transportation.

5. Compliance with Rules and Regulations. Each Owner, guest and lessee agrees to comply with and abide by these Rules and Regulations, as the same may be amended or adopted by the Board from time to time. These Rules and Regulations shall in no way amend or alter the Amended and Restated Declaration, the Articles, the Responsible Governance Policies or the Bylaws.

6. Violation of Rules and Regulations. The Responsible Governance Policies shall govern any financial penalties and procedures for violations of these Rules and Regulations.

Rules and Regulations
THE PLAZA AT WOOD CREEK
CONDOMINIUM ASSOCIATION

CERTIFICATION OF ADOPTION

I, David Reed, as President of The Plaza at Wood Creek Condominium Association, certify that these Rules and Regulations were duly adopted the 7th day of April, 2017, by the Board of The Plaza at Wood Creek Condominium Association.

By: _____
David Reed, President

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EXHIBIT D

COPY OF THE RESPONSIBLE GOVERNANCE POLICIES

[See attached]

**PLAZA AT WOOD CREEK CONDOMINIUM ASSOCIATION
RESPONSIBLE GOVERNANCE POLICIES**

INTRODUCTION

A. Purpose. These Plaza at Wood Creek Condominium Association Responsible Governance Policies (each being referred to individually as a “**Policy**” and collectively and the “**Responsible Governance Policies**”) are for the mutual benefit of all of the Owners. These Responsible Governance Policies are designed to comply with the Colorado Common Interest Ownership Act, C.R.S. §§ 38-33.3-101 et seq. (“**CCIOA**”), including specifically the requirement for adoption of policies for responsible association governance under Section 209.5(1)(b) of CCIOA. These Responsible Governance Policies, together with the Plaza at Wood Creek rules and regulations, constitute the “**Rules**” of the Association as defined in the Declaration.

B. Defined Terms. Initially capitalized terms used, but not defined, in these Responsible Governance Policies that are defined in the Amended and Restated Condominium Declaration for the Plaza at Wood Creek, a condominium project, recorded in the real property records of Gunnison County, Colorado, at Reception No. 644353 on January 12, 2017 (as supplemented and amended from time to time, the “**Declaration**”), or the Amended and Restated Bylaws of the Plaza at Wood Creek (the “**Bylaws**”) shall have the same meaning and definition as given them in the Declaration or the Bylaws, as applicable.

C. Applicability. These Responsible Governance Policies apply to the Units and Common Elements within the Condominium Project, Owners of those Units and, without expressly stating so, to each Owner’s guests, tenants or other permittees, as well as the Association. Each Owner shall be held responsible for any violation of these Responsible Governance Policies by its guests, tenants or other permittees.

D. Additional Governing Documents; Conflicts. In addition to these Responsible Governance Policies, the terms, conditions and restrictions contained in the Declaration, the Amended and Restated Articles of Incorporation of the Plaza at Wood Creek Condominium Association (the “**Articles**”), Bylaws and Rules apply to the Units and Common Elements. In the event of any conflict between the terms of these Responsible Governance Policies and the terms of the Declaration, the Articles or the Bylaws, the terms of the Declaration, Articles or Bylaws (as applicable) shall control. In the event of any conflict between the terms of these Responsible Governance Policies and terms of any other Rules, these Responsible Governance Policies shall control. The Declaration, Articles, Bylaws, these Responsible Governance Policies and any other Rules are collectively referred to as the “**Governing Documents.**”

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RESPONSIBLE GOVERNANCE POLICIES

CONDUCT OF MEETINGS

1. Open Meetings. All meetings of the Association, including Owner and Board meetings, are open to every Owner and any person designated by an Owner in writing as the Owner's representative. Anyone who attends a meeting in person must sign-in, or if attending by telephone must announce their presence and identity prior to commencement of the meeting.

2. Board Meetings. At regular and special meetings of the Board, Owners who are not Directors may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board or as otherwise provided in this policy. The Board shall permit Owners to speak before the Board takes formal action on an item under discussion, including, without limitation, prior to the adoption of a rule or regulation, and the Board shall provide for a reasonable number of persons to speak on each side of an issue. However, the Board may place reasonable time restrictions on Owner comments during any meeting.

3. Agenda. The President of the Board, or any other person designated by the Board, shall serve as chair of all Owner and Board meetings. The agenda for all such meetings shall follow the order of business determined by the Board.

4. Limits on Right to Speak; Speaker Behavior. Before speaking at a meeting, an Owner must be first recognized by the chair of the meeting. Only one person may speak at a time, and each person who speaks must first state his or her name and address. The Board shall have the right to determine the length of time of any comments. The chair may place reasonable limitations on the time given to each Owner seeking to comment to allow sufficient time for as many Owners as possible to comment within the time permitted. Unless otherwise determined by the chair, each Owner shall have three minutes to speak. Owners may not speak more than once on a particular matter except by permission of the Board. Only the chair or other member of the Board of Directors (a "**Director**") may interrupt the person recognized to speak. The speaker shall observe the specific time limits set for comments. Personal attacks, whether physical or verbal, and offensive language shall not be tolerated. All comments are to be directed to the chair and/or Board and restricted to the agenda item being discussed. Courteous behavior is mandatory. Should the chair determine that any Owner has spoken for the allocated amount of time or longer, or determine that the Owner is in violation of the provisions of this policy, the chair shall have the authority to instruct that Owner to yield the floor, and that Owner shall be obligated to comply with the chair's instruction.

5. Disruptive or Unruly Behavior. If an Owner refuses to stop talking after his/her allotted time has ended, otherwise disrupts the meeting, or is otherwise in violation of the provisions of this policy, the following procedure shall be followed:

- (a) The chair shall issue an oral warning that if the Owner continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, either the meeting shall be adjourned or law enforcement/security shall be called to remove the Owner.

- (b) If the Owner continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, the chair may call a recess and speak directly to the Owner, reiterating that either the meeting shall be adjourned or law enforcement/security shall be called to remove the Owner.
- (c) If the Owner still refuses to cooperate, the chair may choose whether to adjourn the meeting to another time or to call law enforcement/security.

6. Written Comments. In addition to providing an opportunity for Owners to speak before the Board takes formal action on an item under discussion under Section 2 above, the Board may, in its discretion, determine to seek input from Owners via written comments. In such instance, those written comments shall be made available to all Directors before action on the item is taken.

7. Additional Rules of Order. The chair may establish such other rules of order for meetings as may be necessary from time to time in the chair's discretion.

8. Executive Session. Notwithstanding any of the foregoing, the Board may hold an executive or closed door session in accordance with CCIOA.

9. CCIOA. This Policy, in conjunction with Articles 4 and 6 of the Declaration, shall constitute the Association's responsible governance policy regarding the conduct of meetings of the Members as required under Section 209.5(1)(b)(III) of CCIOA.

DIRECTOR CONFLICTS OF INTEREST

1. General. The Board shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of the Community. All Directors shall exercise their powers and duties in good faith and in the best interest of, and with utmost loyalty to, the Association in accordance with this Director Conflict of Interest Responsible Governance Policy.

2. Conflicting Interest Transaction. A “conflicting interest transaction” occurs when a contract, transaction, or other financial relationship is negotiated or entered into between:

- (a) the Association and a Director, or
- (b) the Association and an entity in which a Director is a director or officer or has a financial interest, or
- (c) the Association and a party related to a Director. A “party related to a Director” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which a Director, or a party related to a Director, has a beneficial interest, or an entity in which a party related to a Director is a director, officer, or has a financial interest.

3. Loans. No loans shall be made by the Association to its Directors or Officers, and any Director or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof. As used above, an “**Officer**” shall mean the President, one or more Vice-Presidents, a Secretary, a Treasurer, and other officers, assistant officers, employees, and agents as the Board deems necessary and appointed by the Board in accordance with Article 7 of the Bylaws.

4. Approval or Ratification of Conflicting Interest Transactions. No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an Owner or by or in the right of the Association, solely because (x) the conflicting interest transaction involves a Director, a party related to a Director, or an entity in which a Director is a director or officer or has a financial interest; or (y) the Director is present at or participates in the meeting of the Board or of any committee of the Board that authorizes, approves, or ratifies the conflicting interest transaction; or (z) the Director’s vote is counted, if:

- (a) the material facts as to the Director’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or the relevant committee of the Board (if any), and the Board or such committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or

- (b) the material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Owners entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the requisite percentage of the Owners entitled to vote thereon; or
- (c) the conflicting interest transaction is fair to the Association.

In the event that the Board does not ratify or approve a conflicting interest transaction, the Director must recuse himself from discussing or voting on the conflicting interest transaction.

5. Quorum Includes Interested Director. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee of the Board which authorizes, approves, or ratifies a conflicting interest transaction. In the event that the Board does not authorize, approve or ratify a conflicting interest transaction, the interested Director may be counted in determining the presence of a quorum at a meeting of the Board but shall leave the room during the discussion of the conflicting interest transaction and shall not vote on such conflicting interest transaction.

6. Yearly Review. The Board will review this Director Conflict of Interest Responsible Governance Policy annually, and at that time, will propose any changes deemed necessary to help ensure conflicting interest transaction are handled appropriately.

7. CCIOA. In accordance with Section 209.5(1)(b)(II) of CCIOA, this Policy shall constitute the Association's conflict of interest policy.

COLLECTION POLICY

1. Payment of assessments. The Annual Assessments shall be due in equal monthly installments due on the first day of each month, and shall be payable on or before the 15th day of each month. The Association shall bill each Owner monthly for the installments of Annual Assessments; provided, however, that an Owner's failure to receive a bill shall not excuse payment of that monthly installment of Annual Assessments. Special Assessments or other charges may be assessed or made from time to time by the Association in accordance with the Declaration and are due and payable as specified by the Board. Payment of assessments and any other amounts due to the Association shall be made at the office of the Association or at the office of the managing agent for the Association ("**Managing Agent**"), as designated on the bill. Payments in the form of checks shall be made payable to the order of such party as the Board may designate. Payments made by credit card may be assessed an additional amount to cover actual fees or deductions imposed by credit card companies.

2. Past Due and Delinquent assessments. Assessments or other charges not paid to the Association by the 15th day of the month in which they are due shall be considered past due and delinquent.

3. Application of Payments Made to the Association. The Association reserves the right to apply all payments received on account of any Owner first to payment of any Association costs of enforcement incurred with respect to such Owner, and any remaining amounts shall be applied to the assessments or other charges due with respect to such Owner.

4. Additional Fees and Charges.

- (a) Delinquency Costs. In accordance with Section 7.5 of the Declaration, the Association may recover certain Delinquency Costs, including, without limitation, interest, late charges and all collection and enforcement costs from a delinquent Owner.
- (b) Late Fees; Interest. As a part of the Delinquency Costs, a late fee of \$200 shall be due from any Owner with respect to an installment of Annual Assessments or Special Assessments which is not paid within 15 days of its due date. Interest at a rate of 12% per annum shall accrue on any installment of Annual Assessment or Special Assessment from and after the due date.
- (c) Return Check Charges. In addition to any and all other charges, a \$50 fee shall be assessed against an Owner in the event any check or other instrument attributable to or for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. The Board shall provide notice to the Owner of such returned or dishonored check, and the \$50 fee shall be due and payable immediately, upon receipt of such notice, in the same manner as provided for payment of assessments.

5. Notice of Delinquency. Before pursuing legal action or using a collection agency to collect past due or delinquent Annual Assessments, Special Assessments or Delinquency Costs, but after a monthly installment of an Annual Assessment, Special Assessment or other charge owed to the Association becomes one month past due, the Association may send a notice of delinquency to the Owner who is delinquent in payment in accordance with Section 7.5 of the Declaration. The notice of delinquency shall specify:

- (a) The total amount due, with an accounting of how the total was determined;
- (b) Whether the opportunity to enter into a payment plan exists pursuant to Section 6 below and instructions for contacting the Association to enter into such a payment plan;
- (c) The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and
- (d) That action is required to cure the delinquency and that failure to do so within 30 days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

6. Payment Plan.

- (a) Minimum Requirements. Before pursuing legal action or using a collection agency to collect past due and delinquent Annual Assessments, Special Assessments or Delinquency Costs, the Association shall make a good faith effort to coordinate with the Owner to set up a payment plan that permits the Owner to pay off the deficiency:
 - A. In equal installments; and
 - B. Over a period of six months.
- (b) Applicability.
 - A. This Section 6 does not apply if the Owner does not occupy the Unit and has acquired the property as a result of: (x) a default of a security interest encumbering the Unit; or (y) foreclosure of the Association's lien.
 - B. The Association or a holder or assignee of the Association's debt is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan under this Section 6.

- (c) Failure to Comply with Payment Plan. Nothing in this Section 6 prohibits an Association or holder or assignee of the Association's debt from pursuing legal action against an Owner if the Owner fails to comply with the terms of his or her payment plan. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the six-month period, constitutes a failure to comply with the terms of the payment plan.

7. Legal Remedies. The legal remedies available to the Association are discussed in Section 7.6 of the Declaration. All of the remedies set forth in this policy, the Declaration, the Bylaws or the Rules shall be cumulative of each other and any other remedies available at law or in equity. Notwithstanding anything in this Section 7 to the contrary, before pursuing legal action or using a collection agency to collect past due and delinquent regular or special assessments or other fees, charges, late charges, attorneys' fees, fines, or interest, the Association must follow the procedures set forth in Sections 5 and 6.

8. Waivers. Nothing in this policy shall require the Association to take specific actions or pursue specific legal remedies; provided, however, should the Association pursue legal action or use a collection agency to collect unpaid assessments, it must follow the procedures set forth in Sections 5 and 6 before doing so. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances.

9. CCIOA. The provisions of this Policy shall constitute the Association's responsible governance policy regarding the collection of past due assessments and other delinquent payments, as required by Sections 209.5(5) and 316.3 of CCIOA.

ASSOCIATION RECORDS

1. Records Retention. The Association shall maintain records in accordance with Section 317 of CCIOA.

2. Examination of Association Records. Subject to Sections 4 and 5 below, Association records shall be made available to Owners for examination and copying if the requesting Owner delivers to the Managing Agent a written request to examine the Association records, which request describes with reasonable particularity the Association records to be examined. All requests to examine and/or copy the Association records shall be submitted to the Managing Agent at least 10 days prior to the date the Owner desires to examine and/or copy the Association records. Association records may only be examined by the Owners at the principal place of business of the Association during regular business hours, or at the next regularly scheduled meeting of the Board, if such meeting is to occur within 30 days of the request for records. The Association is not obligated to compile or synthesize information. A right to copy Association records includes the right to receive copies by photocopying or other means, including the receipt of copies via electronic mail if available, upon request by an Owner.

3. Copy Charges. The Association may impose a reasonable fee, which may be collected in advance and may cover the cost of labor and materials, for copies of Association records. The charge may not exceed the estimated cost of production and reproduction of the records.

4. Limitations on Use of Association Records. Notwithstanding anything contained herein to the contrary, neither Association records nor the information contained therein shall be used by an Owner for commercial purposes. Notwithstanding anything contained herein to the contrary, a list of Owners may not be obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner, without the prior written consent of the Board. The list of Owners may not be sold to a non-Owner.

5. Confidential Association Records.

- (a) Optional Withholding of Records. Notwithstanding anything contained herein to the contrary, the following records of the Association may be withheld from inspection and copying:
 - A. Architectural drawings, plans and designs, unless released upon the written consent of the legal owner of the drawings, plans or designs;
 - B. Contracts, leases, bids or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
 - C. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;

- D. Disclosure of information in violation of law;
 - E. Records of an executive session of the Board; or
 - F. Records relating to a Unit not owned by the party making the request; or
- (b) Mandatory Withholding of Records. Notwithstanding anything contained herein to the contrary, the following records of the Association must be withheld from inspection and copying:
- A. Personnel, salary or medical records relating to specific individuals; and
 - B. Personal identification and account information of Members including bank account information, telephone numbers, electronic mail addresses, driver's license numbers and social security numbers; provided, however, that, notwithstanding Section 104 of CCIOA, a Member or resident may provide the Association with prior written consent to the disclosure of, and the Association may publish to other Members and residents, such person's telephone number, electronic mail address, or both. The written consent must be kept as a record of the Association and remains valid until such person withdraws it by providing the Association with a written notice of withdrawal of the consent. If such person withdraws his or her consent, the Association is under no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal.

6. CCIOA. The provisions of this Policy constitute the Association's responsible governance policy regarding the inspection and copying of the Association's books and records by Members as required by Section 209.5(1)(b)(V) of CCIOA.

ENFORCEMENT OF GOVERNING DOCUMENTS AND FINE SCHEDULE

1. Violation Resolution Process. Except for past due or delinquent assessments or other amounts, which are addressed in the Collection Policy of these Responsible Governance Policies, the following process shall be used by the Board for resolving violations of or noncompliance with the Governing Documents by an Owner, guest, tenant or permittee. If the Board has not appointed a Managing Agent, all references to the Managing Agent below shall mean the Board, or an alternate party appointed by the Board.

- (a) Subject to the terms and conditions of the Declaration, any Owner or agent of the Association may request an Owner, guest, tenant or permittee to cease, desist or correct any act or omission which appears to be in violation of the Governing Documents.
- (b) If the alleged violation is not corrected within three days of such request or a dispute arises as to the existence of a violation, the Managing Agent shall be notified. If the Managing Agent is satisfied that there is a violation, the Managing Agent shall promptly notify the Owner in person or by telephone, and may, but is not required to, also notify the tenant, guest or permittee.
- (c) If the alleged violation is not corrected within 10 days following notification of a violation by the Managing Agent, the Managing Agent shall mail a written notice of violation ("**Violation Notice**") to the Owner by Certified Mail, Return Receipt Requested. The Violation Notice shall be dated and shall include: details and date of the violation, the dollar amount of the financial assessment, and any deadline set by the Board for terminating the violation before the imposition of further penalties and/or legal action.
- (d) Service of the Violation Notice on one Owner of a Unit shall be service on all Owners of the Unit. The Board may rely on the accuracy of the roster kept by the Managing Agent as part of the Association's records. It is the Owner's obligation to keep the Managing Agent notified of any change of address. Failure to do so shall not affect the validity of service.
- (e) If an alleged violation is not corrected within 10 days of the Violation Notice and/or if the Managing Agent is notified that such violation has been repeated on another occasion, the Managing Agent, shall, in its sole discretion, satisfy itself that there is a repeated or continuing violation, at which time further financial penalties shall be assessed and/or a restraining order or other legal action taken after following the notification process outlined above.

2. Financial Penalties.

- (a) The financial penalties for violation of or noncompliance with the Governing Documents by an Owner, guest, tenant or permittee (each, a “**General Violation**”) are as follows:

General Violations Fine Schedule	Fine for One- Time Occurrence	Fine for Continuing Occurrence
First Offense	\$100	per day until resolved
Second Offense	\$200	per day until resolved
Third or More Offenses	\$500	per day until resolved

Notwithstanding the foregoing, the financial penalties for violation of or noncompliance with Section 4.7(c) of the Declaration (each, a “**Short Term Rental Violation**”) by an Owner are as follows:

Short Term Rental Violations Schedule	Fine
First Rental Posting	\$100 per day until resolved
Second Rental Posting	\$200 per day until resolved
Third or More Rental Postings	\$500 per day until resolved
First Reservation	\$500 per day of the reservation
Second Reservation	\$1,000 per day of the reservation
Third or More Reservations	\$1,500 per day of the reservation

Each day, or fraction thereof, that a General Violation or Short Term Rental Violation continues is a separate violation for purposes of levying penalties. In the event a General Violation or Short Term Rental Violation is not corrected within 30 days from

the date of the Violation Notice to an Owner, the assessed fines shall automatically triple in value and the Board may, at its option, begin appropriate legal proceedings to enforce the Governing Documents.

- (b) Where a General Violation is a single incident (barking dog, for example), the One-Time Occurrence penalties as set forth in the General Violations Schedule of Fines above are meant to apply. Where a General Violation is continuing, such as (but without limitation) the refusal to remove a window air-conditioning unit from a Unit that continues for more than one day, the incident shall be deemed by the Managing Agent, in consultation with at least one member of the Board, to be a Continuing Occurrence, and the Continuing Occurrence penalties as set forth in the General Violations Schedule of Fines above shall apply until the resolution of the General Violation.
- (c) Where a Short Term Rental Violation involves an Owner posting a short term rental on VRBO or Airbnb, for example, the fines set forth in the Short Term Rental Violations Schedule of Fines above shall apply. Where a Short Term Rental Violation involves a short term rental using any agency or method other than the Managing Agent, the Owner shall be subject to the fine schedule in the Short Term Rental Violations Schedule of Fines set forth above on a per day per reservation basis.
- (d) Any penalty assessed, if not voluntarily paid to the Association before the next scheduled payment of dues, shall be added to the next billing statement and is payable within 30 days thereafter. If, after the opportunity to be heard, a violation or series of violations is deemed to have occurred, the penalties shall be assessed from the date of the first violation and added to the next billing statement. Any unpaid amount shall be charged against the Owner's Unit and shall be collectible as any other debt charged against the Unit. Nothing herein shall operate to limit the Association's remedies.
- (e) Assessments of penalties may be waived in whole or in part or adjusted downward in the exclusive discretion of the Board. Waiver or adjustment in one case shall not set precedence in any other.
- (f) In the event the assessments are not paid in a timely manner, the Board may impose charges for late payments, recover other legal costs for the collection of assessments and other actions to enforce the Governing Documents, regardless of whether a suit was initiated. Penalties assessed after Violation Notice is given and

after an opportunity to be heard is satisfied may be levied by the Board for violations of the Governing Documents.

3. Hearing Process.

- (a) Any Owner who has received a Violation Notice of a General Violation or Short Term Rental Violation resulting in the assessment of a financial penalty shall have an opportunity to request a hearing for the purpose of contesting the violation set forth in the Violation Notice. The Owner must contact the Managing Agent within 10 days following the date of receipt of the Violation Notice and request a hearing. The Managing Agent shall then schedule a formal hearing to include at least one member of the Board and the Managing Agent or its agent (the "Panel"). At all times the Panel shall consist of impartial decision makers, as that term is defined in Section 209.5(2)(b)(II) of CCIOA. The Owner must personally participate in the hearing and may have witnesses present. The hearing may be conducted in person or by telephone conference within 30 days from the date of the hearing request, unless otherwise consented to by the parties.
- (b) The Panel may confer with witnesses or other Directors or the Managing Agent before rendering a decision. A final decision shall be made not later than seven days after the hearing (and may be made at the conclusion of the hearing), and the Owner shall be notified verbally and in writing of the Panel's decision at that time.
- (c) Failure of the Owner to participate in a scheduled hearing shall result in a decision against such Owner.
- (d) If, after the opportunity to be heard, a General Violation or Short Term Rental Violation or series of the same is deemed to have occurred, the assessment of penalties shall be upheld from the date of the first violation. The Owner shall also be responsible for all expenses, if any, incurred by both parties in completing the resolution and hearing process.
- (e) If the Panel overturns the assessment of penalties, the Managing Agent shall refund any payment already made by the Owner or, if no payment has yet been made, the assessment shall be removed from the Owner's next billing invoice. In that event, each party shall be responsible for their own expenses, if any, incurred in completing the resolution and hearing process.

4. CCIOA. The provisions of this Article shall constitute the Association's responsible governance policy for the enforcement of covenants and rules, including notice and hearing procedures, as required under Section 209.5(1)(b)(IV) of CCIOA. The provisions of this

Policy, in conjunction with the Collection Policy set forth in these Responsible Governance Policies, shall also constitute the Association's responsible governance policy for (a) the collection of unpaid assessments and (b) the imposition of fines, as required under Sections 209.5(1)(b)(I) and 209.5(2) of CCIOA.

RESERVES

1. Reserve Analysis and Reserve Study. Each year, prior to the preparation of the annual budget for the next fiscal year in accordance with Section 6.3 of the Declaration, the Board shall prepare, or cause to be prepared by a person involved with ongoing upkeep and maintenance of the Community, an estimate of the funds that shall be needed over the ensuing five year period (at a minimum) for major repair and replacement of Common Elements and any other items for which the Association is responsible for maintaining, repairing and replacing pursuant to the Declaration (an “**Annual Reserve Analysis**”). The Annual Reserve Analysis shall be prepared based on a physical inspection of the Community and reasonable projections of the costs anticipated to be incurred for major repair and replacement of such items. The Annual Reserve Analysis need not include routine maintenance and upkeep, items which shall be included in the Association’s annual budget. The Annual Reserve Analysis must also include a recommendation for the level of funding of reserves for the next fiscal year, taking into account the level of reserves accumulated to date and the anticipated funding needs. In lieu of having an Annual Reserve Analysis prepared in a given year, the Board may, in its discretion, engage an outside consultant to prepare a formal reserve study which projects reserve needs for a longer period of time (a “**Reserve Study**”). After receipt of the Annual Reserve Analysis or a Reserve Study, the Board shall establish the amount of assessments to be collected for reserves in the next fiscal year, in its reasonable discretion, but without being bound to follow any recommendations in the Annual Reserve Analysis or Reserve Study; provided, however, that the Board must include some level of reserves in each annual budget. As the Board collects assessments, it shall invest the portion thereof designated for reserve in a separate account, the Replacement Fund.

2. Investment of Replacement Fund. The Board shall use its reasonable business judgment in determining how to invest money on deposit in the Replacement Fund. Factors that the Board shall consider when making an investment decision include safety of funds, interest rate, and liquidity. The Replacement Fund shall be maintained as a segregated interest bearing bank account(s) (such as money market accounts or certificates of deposit), with the balance in each such account being no more than the FDIC insurance limits. Any withdrawal from the Replacement Fund shall require two signatures, at least one of which shall be an Officer of the Association, and no such withdrawal shall be made without approval by the Board. In no event shall the Board invest any money in the Replacement Fund in stocks, bonds or mutual funds.

3. CCIOA. The provisions of this Policy constitute the Association’s responsible governance policies regarding reserve studies and the investment of reserve funds, as required under Sections 209.5(1)(b)(IX) and 209.5(1)(b)(VI), respectively, of CCIOA.

ADOPTION AND AMENDMENT OF RULES.

1. Section 6.2 of the Declaration and Section 302 of CCIOA, give the Association the authority to adopt and/or amend the Rules. The Association may adopt Rules to facilitate the efficient operation of the Association, including implementation or clarification of provisions in the Governing Documents.

2. Prior to adopting a new Rule (or amending an existing Rule), the Board shall notify each Owner about the proposed Rule or amendment to a Rule (whether in writing, via e-mail or on a website). The Board has the right, but not the obligation, to conduct an informational meeting of the Owners and solicit their input regarding any new or existing Rule.

3. The Board shall only adopt or amend Rules in open meetings (as opposed to executive session). At the meeting where the Board intends to adopt or amend a Rule, at an appropriate time determined by the Board, but before the Board votes on the adoption or amendment of the Rule, Owners or their designated representatives shall have an opportunity to speak regarding the Rule in the manner provided in these Responsible Governance Policies.

4. The Board shall give notice of the adoption or amendment of the Rule in writing to each Member of the Association at the address for each Owner on the roster, and shall publish the newly adopted or amended Rule by any reasonable means available, which may include posting the Rule in the community or on the Association's website, by e-mail, mail, newsletter, or personal delivery.

5. Any Member's failure to receive the newly adopted or amended Rule shall not serve as a defense to any attempt by the Association to enforce the Rule or to levy fines, expenses, or attorneys' fees as a result of a violation of the Rule.

6. The provisions of this Policy shall constitute the Association's responsible governance policy regarding the adoption and amendment of policies, procedures and rules, as required by Section 209.5(1)(b)(VII) of CCIOA.

CERTIFICATION OF ADOPTION

I, David Reed, as President of The Plaza at Wood Creek Condominium Association, certify that these Responsible Governance Policies were duly adopted the 7th day of April, 2017, by the Board of The Plaza at Wood Creek Condominium Association.

By: _____
David Reed, President