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AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
THE CORRAL AT BRECKENRIDGE

August 1, 2013

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of Covenants, Conditions,
Restrictions and Easements
for
The Corral at Breckenridge

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS
FOR
THE CORRAL AT BRECKENRIDGE**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE CORRAL AT BRECKENRIDGE ("Declaration") is made by The Corral at Breckenridge Homeowners Association, a Colorado non-profit corporation, with an address of P.O. Box 1745, Breckenridge, Colorado 80424 ("Association"), the affirmative vote of Owners holding not less than two-thirds (2/3) of the votes possible to be cast, and the approval of no less than two-thirds (2/3) of the Mortgagees holding First Mortgages, in accordance with the Act and Section 12.2 of Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge recorded with the Summit County Clerk and Recorder on August 20, 1997, at Reception Number 545109, as amended or supplemented ("Original Declaration").

RECITALS

A. Towback Partners, Limited Liability Company, a Colorado limited liability company ("Declarant"), owned certain real estate in Breckenridge, Colorado, which is referred to herein as the "Property" and is more particularly described as:

LOTS 2 AND 3, SOUTHSIDE PLACER SUBDIVISION, TOWN
OF BRECKENRIDGE, SUMMIT COUNTY, COLORADO.

B. Declarant subjected the Property to the covenants, conditions, restrictions, easements, charges, assessments, and liens set forth in the Original Declaration, which Original Declaration burdened and benefited the Owners and their respective successors, heirs, executors, administrators, devisees, grantees or assigns.

C. Through the recording of the Original Declaration, the Property was submitted to the provisions of the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time (the "Act").

D. Pursuant to the terms of the Original Declaration, Declarant created a planned community in which portions of the Project, as that term is defined herein, were designated for separate ownership and the remainder of which was designated for common use and ownership by the Association.

E. The Original Declaration was further intended to protect and maintain the Project as a prime mountain residential area of the highest quality and value, to enhance and protect its desirability and attractiveness, and also provided for the operation and maintenance of the Common Elements and Limited Common Elements and other related facilities serving the Project.

F. Declarant additionally created the Association and delegated and assigned to the Association the power and duties of maintaining and administering the Common Elements and Limited Common Elements; and administering and enforcing the covenants, conditions, and restrictions; and collecting and disbursing the assessments and charges created under the Original Declaration.

G. Declarant is now dissolved and any and all rights of the Declarant which may have arisen under the Original Declaration have terminated.

H. Prior to the construction of the various Improvements on the Property, Declarant obtained approvals for the Project in accordance with the Development Code of the Town of Breckenridge. Development permits issued by the Town of Breckenridge (the "Development Permits") and the Breckenridge Town Code may contain provisions that supplement and/or control over any contrary provisions of this Declaration.

I. The Association now seeks to replace and restate the Original Declaration with this Declaration, in part to allow the Association take such action as is necessary, and conduct such operations as it deems to be appropriate, in order to properly maintain and comply with the Development Permits, including, without limitation, the operation and maintenance of facilities described therein.

ARTICLE I - DECLARATION

The Association and Owners now declare that the Project shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions and easements which are for the purpose of protecting the value and desirability of the Project, and which shall run with the land and be binding upon all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Project, and that this Declaration and the covenants, conditions, restrictions and easements set forth herein shall replace and restate the Original Declaration in its entirety.

ARTICLE II - NAME, DIVISION INTO UNITS

Section 2.1. **Name.** The name of the Project is "The Corral at Breckenridge."

Section 2.2. **Association.** The name of the Association is "The Corral at Breckenridge Homeowners Association," which is incorporated under the laws of the State of Colorado as a nonprofit corporation with the purpose of exercising the functions as set forth in the Articles of Incorporation, this Declaration, the Bylaws, any other Association Document, the Act, and the Colorado Revised Nonprofit Corporation Act, Colo. Rev. Stat. § 7-121-101, *et seq*, as each may be amended from time to time.

Section 2.3. **Number of Units.** There are a total of sixty-five (65) Units in the Project, all of which are residential Units. The Units are allocated amongst the three sections of the Project as follows: twenty-one (21) Units in the West Range; twenty-two (22) Units in the East Range; and twenty-two (22) Units in the South Range. In addition to the Units, there are two (2) Commercial Units shown and depicted on the Map, which Commercial Units are owned by the Association and which are, pursuant to this Declaration, declared to be Common Elements.

Section 2.4. **Identification of Units.** The identification number of each Unit and each Commercial Unit is shown on the Map.

Section 2.5. **Common Elements.** In consideration for the performance of its obligations under the Association Documents, Declarant sold and conveyed certain Common Elements to the Association, which are more particularly described herein and on the Map. The Common Elements are, by this Declaration, expanded to include the Commercial Units.

ARTICLE III - DEFINITIONS

Section 3.1. **Definitions.** The following words when used in this Declaration, unless inconsistent with the context of this Declaration, shall have the following meanings:

A. **"Allocated Interest"** means the fraction percentage of the Common Expenses to be borne by each Unit as provided in Exhibit A, which is attached hereto and thereby incorporated herein. The Allocated Interest for each Unit equals the square footage for that Unit, as set forth in the Original Declaration, divided by the total square footage of all such Units. In the event of any discrepancy between an Allocated Interest and the result derived from application of the aforementioned formula, the Allocated Interest designated in Exhibit A shall control and prevail.

B. **"Act"** means the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as it may be amended from time to time.

C. **"Articles"** mean the Articles of Incorporation for The Corral at Breckenridge Association on file with the Colorado Secretary of State, and any amendments which may be made to those Articles from time to time.

D. **"Assessments"** means the Periodic, Supplementary, Special and Default Assessments levied pursuant to the Article named Assessments below.

E. **"Association"** means The Corral at Breckenridge Homeowners Association, a Colorado nonprofit corporation, and its successors and assigns.

F. **"Association Documents"** means this Declaration, the Articles of Incorporation, the Bylaws of the Association, and any procedures, rules, regulations, or policies adopted by the Association.

G. **"Bylaws"** means the Bylaws adopted by the Association, as amended from time to time.

H. **"Commercial Units"** means that portion of the Project shown and depicted on the Map as C-1 and C-2, which Commercial Units are owned by the Association and which are Common Elements.

I. **"Common Elements"** means all portions of the Project other than the Units. The Common Elements include all Improvements, except for the Units, including, without limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, including the

attached drywall or gypsum board, but not the interior Unit finishes thereto, Unit perimeter floors, but not the interior Unit finished surfaces thereof, Unit perimeter ceilings, including the attached drywall or gypsum board, but not the interior Unit finishes thereto, Unit perimeter windows and doors, but not the interior trim associated therewith, utility systems, mechanical systems, exhaust and ventilation systems, storage areas, roofs, chimneys, drainage facilities, patios, balconies, decks, porches, courtyards, stoops, exits and entrances, outdoor parking spaces and driveways, indoor parking areas (except where designated Limited Common Elements), and landscaped areas and walkways, except for those Improvements that are designated by the Act, by this Declaration, or by the Map as Units or Limited Common Elements. The Common Elements also include the unimproved land surrounding the Units, structural walls and plumbing facilities which are located within a Unit but serve other Units, water and sewer lines and facilities serving the Project which are not owned by the Town of Breckenridge Water Department or the Upper Blue Sanitation District, the parking areas and driveways depicted on the Map, and Commercial Units C-1 and C-2 as shown and depicted on the Map. The term Common Elements shall also include the Limited Common Elements, which are exclusively reserved for use by an Owner or as otherwise provided in this Declaration.

J. **“Common Expenses”** means (i) all expenses expressly declared to be Common Expenses by the Association Documents; (ii) all expenses of administering, acquiring, operating, servicing, conserving, managing, maintaining, repairing, or replacing the Common Elements; (iii) insurance premiums for the insurance carried by the Association under this Declaration; (iv) all expenses of operating the Association, the activities and undertakings of the Association, and the business affairs of the Association; and (v) all expenses lawfully determined to be Common Expenses by the Executive Board of the Association.

K. **“Declarant”** means Towback Partners, Limited Liability Company, a Colorado limited liability company, which is now dissolved and whose rights under the Original Declaration have terminated.

L. **“Declaration”** means and refers to this Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge, a planned community in Breckenridge, Colorado, including all amendments and supplements thereto.

M. **“Executive Board”** means the governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Project.

N. **“First Mortgage”** means an interest in a Unit created by contract or conveyance which secures payment or performance of an obligation and has priority over all security interests against said Unit, but does not include any liens for real estate taxes or other governmental assessments or charges against the Unit.

O. **“First Mortgagee”** means any person named as a mortgagee or beneficiary in any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

P. **"Improvements"** means any building, structure or other improvement located on the Property.

Q. **"Limited Common Elements"** means a portion of the Common Elements allocated by the Declaration or Map for the exclusive use of one or more Owners but fewer than all the Owners.

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

S. **"Map"** means that part of the Declaration that depicts all or any portion of the Project and is recorded in the real estate records of the Summit County Clerk and Recorder. The Map, showing three dimensions, and a plat, showing two dimensions, may be combined in one instrument. The term "Map" includes the Condominium Map of The Corral at Breckenridge West Range, filed under Reception No. 545109, the Condominium Map and Plat of the Corral at Breckenridge East Range, filed under Reception No. 579484, the Condominium Map of the Corral at Breckenridge East Range – First Supplement, filed under Reception No. 591130, the Condominium Map of the Corral at Breckenridge South Range, filed under Reception No. 620464, and any amendments or supplements thereto which may be recorded from time to time.

T. **"Mortgage"** means an interest in a Unit created by contract or conveyance which secures payment or performance of an obligation and includes without limitation a mortgage or deed of trust, but does not include any liens for real estate taxes or other governmental assessments or charges against the Unit.

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

V. **"Original Declaration"** means the Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge recorded with the Summit County Clerk and Recorder at Reception No. 545109, together with all amendments and supplements thereto recorded prior to the recording of this Declaration, including, but not limited to, those instruments recorded at Reception Nos. 579485, 591131, and 620465.

W. **"Owner"** means the owner of record, whether one or more persons or entities, of fee simple title to any Unit.

X. **"Project" or "The Corral at Breckenridge"** shall mean the planned community created by this Declaration, consisting of the Property and any Improvements constructed thereon.

Y. **"Property"** refers to Lots 2 and 3, Southside Placer Subdivision, Town of Breckenridge, County of Summit, State of Colorado.

Z. **"Unit"** means a physical portion of the Project depicted on the Map and designated for separate ownership and occupancy. The boundaries of the Unit shall be the unfinished surfaces of the perimeter walls, floors and ceilings, as specifically depicted on the

Map. The Unit shall include the heating, hot water and air conditioning apparatus exclusively serving the Unit, whether or not located within the boundaries of the Unit.

ARTICLE IV - MEMBERSHIP & VOTING RIGHTS; ASSOCIATION OPERATIONS

Section 4.1. **The Association.** Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit.

Section 4.2. **Transfer of Membership.** An Owner shall not transfer, pledge, or alienate his membership in the Association in any way, except upon the sale or encumbrance of his Unit and then only to the purchaser of his Unit.

Section 4.3. **Class of Membership.** The Association shall have one (1) class of voting membership. Members shall be all Owners, who, except as otherwise provided for in this Declaration, shall be entitled to vote on Association matters pursuant to this Declaration on the basis of one (1) vote for each Unit owned. When more than one (1) person holds an interest in any Unit, all such persons shall be Members and the vote for such Unit shall be exercised by one person or persons appointed in accordance with the Bylaws. In no event shall more than one (1) vote be cast with respect to any one (1) Unit.

Section 4.4. **Compliance with Association Documents.** Each Owner and all persons occupying a Unit shall abide by and benefit from each provision, covenant, condition, restriction and easement contained in the Association Documents. The obligations, burdens, and benefits of membership in the Association concern the land and shall be covenants running with each Unit for the benefit of all Units.

Section 4.5. **Manager.** The Association may employ or contract for the services of a Manager to whom the Executive Board may delegate certain powers, functions, or duties of the Association. The Manager shall not have the authority to make expenditures except upon prior approval and direction by the Executive Board. The Executive Board shall not be liable for any omission or improper exercise by a Manager of any duty, power, or function so delegated by written instrument executed by or on behalf of the Executive Board.

Section 4.6. **Implied Rights and Obligations.** The Association may exercise any right or privilege expressly granted to the Association in the Association Documents or the Act, and every other right or privilege reasonably implied from the existence of any right or privilege given to the Association under the Association Documents or the Act reasonably necessary to effect any such right or privilege. The Association shall perform all of the duties and obligations expressly imposed upon it by the Association Documents or the Act, and every other duty or obligation implied by the express provisions of the Association Documents or the Act or necessary to reasonably satisfy any such duty or obligation. The Association may adopt such rules, regulations, and policies pertaining to the use and maintenance of the Units and the Common Elements as the Executive Board deems appropriate and may enforce such rules, regulations and policies the same as if such were set forth herein.

Section 4.7. **Association as Attorney-in-Fact.** Each Owner, by acceptance of a deed or other conveyance vesting in the Owner an interest in a Unit, does irrevocably constitute and

appoint the Association with full power of substitution in the Owner's name, place and stead to deal with Owner's interest in order to effectuate the rights granted to the Association, as applicable, with full power, right and authority to execute and deliver any instrument affecting the interest of the Owner and to take any other action which the Association may consider necessary or advisable to give effect to the provisions of this Section and this Declaration generally. If requested to do so by the Association, each Owner shall execute and deliver a written, acknowledged instrument confirming such appointment. No Owner shall have any rights against the Association or any of its officers or directors with respect thereto except in the case of fraud or gross negligence.

ARTICLE V - PROPERTY RIGHTS OF OWNERS & RESERVATIONS BY THE ASSOCIATION

Section 5.1. **Owner's Easement of Enjoyment.** Except as otherwise provide for herein, every Owner has a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Unit.

Section 5.2. **Recorded Easements.** The Property shall be subject to all easements as shown on the Map, those provided for in the Act, and any other easements of record or of use as of the date of recordation of this Declaration. In addition, the Property is subject to those easements set forth in this Article.

Section 5.3. **Utility Easements.** There is hereby created an easement upon, across, over, in, and under the Property for ingress and egress, installation, replacement, repair and maintenance of all existing utilities, including, but not limited to, gas, telephone, electrical, and cable communications systems. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such services to install and maintain necessary equipment, wires, circuits, and conduits under and over those areas of the Property where such utilities currently exist. Such utilities may temporarily be installed above ground during construction activities, if approved by the Association.

Section 5.4. **Dedication for Realignment of Broken Lance Drive.** Pursuant to that Deed of Dedication recorded in the records of the Summit County Clerk and Recorder under Reception Number 519777, Declarant dedicated a 50 foot right-of-way along the southerly boundary of Lot 3, Southside Placer Subdivision, to the Town of Breckenridge for the purpose of realigning Broken Lance Drive.

Section 5.5. **Association's Rights Incident to Construction.** All other provisions of this Declaration notwithstanding, the Association expressly reserves the right to perform any work, repairs, construction work, and reconstruction work, and to store materials in secure areas, on the Common Elements and the future right to control all such work and repairs, and the right of access thereto. All such work may be performed by the Association without the consent or approval of any Owner or Mortgagee. The Association has the right to limit or prohibit access to all or any portion of the Common Elements as may be reasonably necessary for the purpose of discharging the Association's obligations and exercising the Association's rights reserved in this Declaration. Such rights include, but are not limited to, the right to construct drainage facilities, underground utility lines, pipes, wires, ducts, conduits, and other facilities across the Property.

The rights granted to the Association pursuant to this Section may, in certain circumstances, result in one or more Owners being temporarily denied access to and the use of such Owner's Unit during construction, reconstruction, or repair work being performed by the Association. In such event, no Owner shall have a claim against the Association for loss of use of such Owner's Unit.

Section 5.6. **Reservation of Easements, Exceptions, and Exclusions.** The Association reserves to itself the right to establish from time to time, by grant or otherwise, utility and other easements, permits, or licenses over the Common Elements for purposes including, but not limited to, driveways, paths, walkways, drainage, parking areas, conduit installations areas, and to create other reservations, exceptions, and exclusions for the best interests of the Owners and the Association, in order to serve the Owners within the Property.

Section 5.7. **Easement for Ingress and Egress.** Subject to the rights of the Association reserved and set forth herein, the Association hereby grants as an appurtenance of each Unit a non-exclusive easement of ingress and egress across the Common Elements to each Unit to assure access from a public road, driveway or parking area to each Unit. The specific means of ingress and egress shall be subject to change as the Executive Board from time to time deems necessary.

Section 5.8. **General Maintenance Easement.** An easement is hereby granted to the Association, and any member of the Executive Board or the Manager, and their respective officers, agents, employees, and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Association Documents, including the right to enter upon any Unit for purpose of performing maintenance to the Common Elements or the Unit.

Section 5.9. **Emergency Access Easement.** A perpetual non-exclusive easement is hereby granted to all police, sheriff, fire protection, ambulance and water and sewer agencies or persons to enter upon the Common Elements in the performance of their duties.

Section 5.10. **Regulation of Common Elements.** The Association reserves the right to limit or prohibit access to any portion of the Project, including without limitation the Common Elements and Units, for safety purposes during repair, maintenance, construction, or reconstruction of any portion of the Project. The Association further reserves the right to promulgate reasonable rules and policies through the Executive Board regarding the use of the Common Elements and to restrict the use of certain portions of the Common Elements, including the Commercial Units, for the sole benefit of the Association, including for Association business activities. The Association reserves the right to allow the use of the Commercial Units for any purpose allowed by the Town Code of the Town of Breckenridge.

Section 5.11. **Delegation of Use.** Any Owner may delegate his right of enjoyment to the Common Elements to the members of his family, his tenants, guests, licensees, and invitees, but only in accordance with and subject to the limitations of the Association Documents.

Section 5.12. **Inseparability.** Every gift, devise, bequest, transfer, encumbrance, conveyance, or other disposition of a Unit and improvements thereon shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance respectively of the entire Unit, including each easement, license, and all other appurtenant rights created by this Declaration.

Section 5.13. **Partition or Subdivision.** No Owner, group of Owners or the Association shall bring any action for partition or division of a Unit or Units, the Common Elements or Limited Common Elements.

Section 5.14. **Rental.** A Unit may be rented for residential purposes and a Unit may be used for permanent or short-term occupancy by its Owner, its family, servants, agents, guests, invitees, and tenants, and such Owner shall be allowed to rent or arrange for rental of its Unit for any length of time, subject to any lease term restrictions and occupancy limits adopted by the Executive Board. The Common Elements, or portions thereof, including that portion of the Common Elements designated on the Map as the Commercial Units, may be rented for either short or long term use as determined appropriate by the Executive Board.

ARTICLE VI - MAINTENANCE AND LANDSCAPING

Section 6.1. **Maintenance of Units.**

A. Except for the maintenance obligations assumed by the Association as provided below, each Owner shall be solely responsible for all maintenance and repair or replacement of his Unit and any appurtenant garage and storage unit, including all fixtures, equipment and utility lines within the Unit or garage or storage unit, and any hot tub located on the Limited Common Element deck appurtenant to the Unit. Each Owner shall also be responsible for the maintenance, repair or replacement of all finishes, fixtures, appliances, and equipment in his Unit, the interior non-supporting walls of his Unit, and the surface materials thereon such as plaster, drywall, paneling, wallpaper, paint, or tile, and all carpeting within the Unit, as well as interior and exterior Unit doors, and all windows, window screens, and any other interior or exterior window treatment even though such may be Common Elements. Each Owner is required to maintain the Unit and any appurtenant deck, garage and storage unit in a clean condition of good order and free from trash, and garbage in accordance with the provisions of that Article named Protective Covenants below and in accordance with such rules, regulations and policies as may be adopted by the Executive Board. The Association reserves the right to assign the maintenance responsibility to the Owner of certain Common Elements appurtenant to or associated with each Owner's Unit, and the Owner is obligated to accept such maintenance responsibility, provided such assignment is done in a uniform and nondiscriminatory manner. The foregoing notwithstanding, the Association reserves the right to maintain, repair, or replace any portion of the Common Elements which are, pursuant to the above, to be maintained by the Owners.

B. Notwithstanding each Owner's responsibility set forth in Section 6.1(A), no Owner shall construct any structure or improvement or make or suffer any structural or design change (including a color scheme or material change), either permanent or temporary and of any type or nature whatsoever to the Common Elements, construct any additional improvement on or in his Unit, or make repairs or replacements to any portion of the Unit or the Common Elements,

or any portion of the Unit which is visible from the Common Elements, in such a way as to change the finish, color, materials, or appearance of the Unit or the Common Elements when viewed from the Common Element without first obtaining the prior written consent thereto from the Executive Board and in regard to structural changes, the prior written consent of the Town of Breckenridge.

Section 6.2. **Common Elements.** Except as otherwise provided for herein, the Association shall maintain, repair, replace, construct, and reconstruct the Common Elements in such manner as the Association shall determine.

Section 6.3. **Special Development Permit Covenants.** The Association will at all times maintain the landscaping on the Common Elements in strict compliance with the landscape plan for the Property; and will maintain the snow melt system under the driveways and parking areas as required by the Development Permits issued by the Town of Breckenridge (the "Town").

A. In the event the Town determines that the Association is in default under this Section, the Town will notify the Association and any Mortgagee of such default in writing. Within thirty (30) days following receipt of such notice, the Association will correct such default, or, in the event of a default not capable of being corrected within thirty (30) days, the Association will contact the Town staff and develop a timetable agreeable to the staff to correct the default and thereafter correct the default with due diligence. A Mortgagee will have the right (but shall not be required) to cure any default hereunder within the applicable cure period as provided above. If the Association fails or refuses to correct any default as provided above, and if the default is not cured by Mortgagee within the applicable cure period, the Town may enforce this covenant as hereafter provided.

B. This covenant is made for the benefit of the Town, which is given the sole power to enforce it. The Association agrees that in the event of default hereunder, the Town will have the right of specific performance of this covenant and the right to obtain from any court of competent jurisdiction a temporary restraining order, preliminary injunction and permanent mandatory injunction to obtain such performance.

C. If any action is brought in a court of law by either party to this covenant concerning the enforcement, interpretation or construction of this covenant, the prevailing party, either at trial or upon appeal, will be entitled to reasonable attorney's fees, as well as court costs, including expert witness fees incurred in the prosecution or defense of such action.

D. Notwithstanding anything to the contrary otherwise contained in this Declaration, the provisions of this Section may be not waived, modified or terminated without the express written consent of the Association and the Town. No such waiver, modification or termination shall be effective until the proper instrument in writing shall be executed and recorded in the real property records of Summit County, Colorado.

Section 6.4. **Owner's Failure to Maintain.** Subject to the Association's rights to enter a Unit to make emergency repairs as set forth in Section 5.8, in the event that a Unit and such associated Common Element required to be maintained by an Owner is not properly maintained by such Owner, then the Association, after thirty (30) days prior written notice to the Owner and

with the approval of the Executive Board, shall have the right to enter upon the Unit to perform such work as is reasonably required to restore the Unit and other improvements thereon to a condition of good order and repair, with all cost for such work to be the obligation of the Owner, and Owner shall reimburse the Association for all such costs within thirty (30) days after notice of such costs is provided to Owner. All unreimbursed costs for such work shall be a lien upon the Unit until reimbursement is made. The lien may be enforced in the same manner as a lien for an unpaid assessment levied in accordance with that Article named Assessments below.

ARTICLE VII - INSURANCE

Section 7.1. **Insurance on Common Elements.** The Association will maintain insurance covering all insurable Improvements located or constructed on the Property. The Association will maintain the following types of insurance, to the extent that such insurance is reasonably available, as determined by the Executive Board, considering the availability, cost and risk coverage provided by such insurance, and the cost of the coverage will be paid by the Association as a Common Expense. Notwithstanding any of the specific insurance requirements specified in this Article, the Association may also consider, in determining the types and amount of insurance it needs to obtain, the then-existing requirements of any of FNMA, GNMA, FHLMC, HUD, VA, CHFA or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may perform in the future) functions similar to those currently performed by any of such entities with respect to their insurance, guaranty, or purchase of First Mortgages.

A. A policy of property insurance covering all insurable portions of the Property, except for land, foundation, excavation and other matters normally excluded from coverage, and excluding personal property belonging to the Unit Owners, in an amount not less than the full insurable replacement cost of the Improvements, subject to such deductible amounts as determined to be appropriate by the Executive Board.

B. If the insurance described in these subsections is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners. This Declaration may require the Association to carry other insurance, and the Association in any event may carry any other insurance it considers appropriate to protect the Association or the Owners.

C. Fidelity insurance or fidelity bonds must be maintained by the Association to protect against dishonest acts on the part of its officers, directors, trustees and employees and on the part of all others, including any Manager hired by the Association, who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than the greater of (a) fifty thousand dollars (\$50,000) or (b) the estimated maximum of funds, including reserve funds, in the custody of the Association or Manager as the case may be, at any given time during the term of each policy as calculated from the current budget of the Association but in no event less than a sum equal to three (3) months' aggregate assessments plus reserve funds. In addition, if responsibility for handling funds is delegated to a Manager, such insurance or bonds must be obtained by or for the Manager and its officers, employees and agents, as applicable. Such fidelity insurance or bonds shall name the Association as insured and

shall contain waivers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee," or similar terms or expressions.

D. A comprehensive policy of public liability insurance covering all of the Common Elements, insuring the Association in an amount not less than \$3,000,000 covering bodily injury, including death to persons, personal injury and property damage liability arising out of a single occurrence. Such coverage will include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Association.

E. In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it will deem appropriate, to the extent that such coverage is reasonably available as determined by the Executive Board, including but not limited to personal liability insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association.

Section 7.2. **General Provisions of Insurance Policies.** All policies of insurance carried by the Association will be carried in blanket policy form naming the Association as insured, or its designee as trustee and attorney-in-fact for all Owners, and each Owner will be an insured person under such policies with respect to liability arising out of any Owner's membership in the Association. The policy or policies will contain a standard non-contributory First Mortgagee's clause in favor of each First Mortgagee and a provision that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured and each First Mortgagee, insurer or guarantor of a First Mortgagee. The Association will furnish a certified copy or duplicate original of such policy or renewal thereof, with proof of premiums payment and a certificate identifying the interest of the Owner in question, to any party in interest, including First Mortgagees, upon written request. Any such Owner's policy will also contain waivers of subrogation. All policies will contain waivers of any defense based on invalidity arising from any acts or neglect of an Owner where such Owner is not acting under directions from the Association.

Section 7.3. **Association Insurance as Primary Coverage.** If at the time of any loss under any policy which is in the name of the Association, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Association policy, the Association insurance policy will be primary insurance not contributing with any of such other insurance. An Owner will be liable to the Association for the amount of any reduction in insurance proceeds paid to the Association caused by such Owner's policies of insurance, and the Association may collect the amount from the Owner in the same manner as any periodic assessment. Any such Owner's policy will also contain waivers of subrogation.

Section 7.4. **Insurance to be Maintained by Owners.** Each Owner shall obtain casualty and liability insurance for such Owner's benefit, at such Owner's expense, covering the Owner's personal property and personal liability, with such policies to be in such amounts as the Executive Board shall set forth in the Association's rules, regulations and policies. No Owner

will obtain separate insurance policies on the Improvements. The Executive Board may require Owners to file copies of such policies or other proof of the existence of such policies with the Association.

Section 7.5. **Non-Covered Expenses.** The Association, through the Executive Board, shall adopt such rules, regulations and policies as it deems appropriate to address the obligation of the Owners and the Association to pay for any repairs or replacements caused by a casualty loss the cost of which is not covered by a policy of insurance carried by the Association, including any deductible amounts set forth in any such policy of insurance.

ARTICLE VIII - ASSESSMENTS

Section 8.1. **Obligation.** Each Owner must pay to the Association (1) the Periodic Assessments imposed by the Executive Board as necessary to meet the Common Expenses of maintenance, operation, and management of the Common Elements and to perform the functions, business and undertakings of the Association; (2) Special Assessments for capital improvements and other purposes as stated in this Declaration; and (3) Default Assessments which may be assessed against a Unit for the Owner's failure to perform an obligation under the Association Documents or because the Association has incurred an expense on behalf of the Owner under the Association Documents.

Section 8.2. **Purpose of Assessments.** The Assessments shall be used by or on behalf of the Association, together with any allocations to the Reserve Fund, including, without limiting the generality of the foregoing, the following items: expenses of administration, insurance, operation, common utilities, and management, repair, replacement, construction, reconstruction, or expansion of the Common Elements, except to the extent such expenses are the responsibility of an Owner as provided in this Declaration; expenses for the acquisition, repair and replacement of personal property required for the operation of the Association; expenses declared Common Expenses by the provisions of the Act, this Declaration or the Association Documents; all sums lawfully assessed against the Units by the Executive Board; and expenses agreed upon as Common Expenses by the members of the Association.

Section 8.3. **Budget.** The Executive Board shall adopt a budget with Assessments sufficient to pay all Common Expenses and adequate reserves on an annual basis before the commencement of each fiscal year. Within ninety (90) days after adoption of any proposed budget, the Executive Board shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than ten (10) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all Owners veto the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is vetoed, the periodic budget last ratified by the Owners shall be continued until such time as the Owners have ratified a subsequent budget proposed by the Executive Board.

Section 8.4. **Reserves.** The Association shall require each purchaser of a Unit to make a non-refundable payment to the Association in an amount equal to one-sixth (1/6) of the current cumulative Periodic Assessments for one (1) year for the Unit, which sum shall be held, without

interest, by the Association as part of the Reserve Fund. The Reserve Fund shall be collected and transferred to the Association at the time of closing of the sale of each Unit, and shall be maintained for the use and benefit of the Association. Such payment shall be in addition to Periodic Assessments and shall not relieve an Owner from making payments of the Periodic Assessments as the same become due. Upon the conveyance of a Unit, neither the selling nor purchasing party shall be entitled to a credit for any portion of the Reserve Fund. This Section shall not apply to a conveyance of a Unit which is or would be exempt from the Town of Breckenridge Real Estate Transfer Tax imposed by Title 3, Chapter 3 of the Breckenridge Town Code, as amended and supplemented.

Section 8.5. Periodic Assessments. Periodic Assessments for Common Expenses made shall be based upon the estimated cash requirements as the Executive Board shall from time to time determine and shall be paid by all of the Owners, subject to that Section named Budget above.

Periodic Assessments shall be payable monthly in advance and shall be due on the first day of each month, or such other periods or days as the Executive Board may determine. The omission or failure of the Association to fix the Periodic Assessments for any assessment period shall not be deemed a waiver, modification, or release of the Owners from their obligation to pay the same. The Association shall have the right, but not the obligation, to make prorated refunds of any Periodic Assessments in excess of the actual expenses incurred in any fiscal year.

Section 8.6. Apportionment of Periodic Assessments. Each Owner shall be responsible for that Owner's share of the Common Expenses which shall be allocated among the Owners as set forth in Exhibit A, subject to the following exceptions:

A. Any Common Expense which is separately metered or assessed to the Units by third parties.

B. Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element will be assessed against the Unit or Units to which that Limited Common Element is assigned, pro rata according to the Allocated Interest of such Units or on such other equitable basis as the Executive Board shall determine.

C. Any Common Expense benefitting fewer than all of the Units will be assessed exclusively against the Units benefited, prorata according to the Allocated Interest of such Units, or on such other equitable basis as the Executive Board shall determine.

D. Any insurance costs incurred as a result of the extraordinary value of a particular Owner's Unit or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner.

E. Any Common Expense caused by the negligence, intentional act, or other misconduct of any Owner, or any guest or tenant of an Owner, shall be assessed solely against such Owner's Unit.

Section 8.7. Supplementary Assessments. In the event the Executive Board shall determine, at any time or from time to time, that the amount of the Periodic Assessments is not

adequate to pay for the costs and expenses of fulfilling the Association's obligations hereunder, one or more Supplementary Assessments may be made for the purpose of providing the additional funds required. To determine the amount required to be raised by each Supplementary Assessment, the Executive Board shall revise the budget, a summary of which shall be approved in accordance with the Section named Budget above. Upon written request, the Executive Board will deliver a summary of the revised budget to any Mortgagee. Based on such revised budget, the Executive Board may make a Supplementary Assessment for such fiscal year against each Unit.

Section 8.8. Special Assessments. In addition to the Periodic Assessments authorized by this Article, the Association may levy in any fiscal year one or more Special Assessments payable over such period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the Common Elements or for any other expense incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expense, but shall be construed to prescribe the manner of assessing expenses authorized by other sections of this Declaration, and in acting under this Section, the Association shall make specific references to this Section. Any amounts assessed pursuant to this Section shall be assessed to Owners as provided in this Article, subject to the requirements that any extraordinary maintenance, repair or restoration work on fewer than all of the Units shall be borne by the Owners of those affected Units only; and any insurance costs incurred as a result of the value of a particular Owner's residence or the actions of a particular Owner (or his agents, servants, guests, tenants, or invitees) shall be borne by that Owner. Notice in writing in the amount of such Special Assessments and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given.

Section 8.9. Default Assessments. All monetary fines assessed against an Owner pursuant to the Association Documents or herein, or any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner pursuant to the Association Documents, shall be a Default Assessment and shall become a lien against such Owner's Unit which may be foreclosed or otherwise collected as provided in this Declaration. Notice of the amount and due date of such Default Assessment shall be sent to the Owner in accordance with the Association Documents or the Act.

Section 8.10. Effect of Nonpayment; Assessment Lien. Any Assessment installment, whether pertaining to any Periodic, Special or Default Assessment, which is not paid within thirty (30) days after its due date shall be delinquent. If an Assessment installment becomes delinquent, the Association, in its sole discretion, may take any or all of the following actions:

A. Assess a late charge for each delinquency in such amount or amounts as adopted by the Executive Board in the Association Documents;

B. Assess an interest charge from the date of delinquency not to exceed the rate allowable by law and as adopted by Executive Board through the Association Documents;

C. Upon no less than thirty (30) days written notice, accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year shall be due and payable;

D. In accordance with the hearing procedures regarding covenant or rule violations adopted by the Executive Board through the Association Documents, disconnect any utility services to the Unit which are paid as a Common Expense;

E. Bring an action at law against any Owner personally obligated to pay the delinquent Assessments;

F. File a notice of lien against the Unit and proceed with foreclosure as set forth below; and

G. Take any other action permitted by law and which the Executive Board has promulgated in its rules, including, without limitation, making demand upon an Owner's tenant or an Owner's rental management company for payment of delinquent Assessments.

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

H. In the event the Association takes any of the above actions or any other action with respect to a delinquent Assessment, the Owner shall be liable for, in addition to the amount of the unpaid Assessments, any charges, penalties and interest thereon, and any associated costs, expenses, and all reasonable attorney's fees incurred by the Association, regardless whether an action is commenced; all such unpaid charges, penalties, interest, costs, expenses and attorneys' fees shall constitute a lien on such Unit and shall be collected as a Default Assessment;

Section 8.11. Personal Obligation. The amount of any unpaid Assessment chargeable against any Unit shall be the personal and individual debt of the Owner of same. If there are multiple Owners, each Owner shall be jointly and severally liable for all amounts chargeable against the Unit. No Owner may exempt himself from liability for any Assessment by

abandonment of his Unit or by waiver of the use or enjoyment of all or any part of the Common Elements. Suit to recover a money judgment for unpaid Assessments, any penalties, late charges, and interest thereon, the cost and expenses of such proceedings, and all reasonable attorney's fees in connection therewith shall be maintainable without foreclosure or waiving the Assessment lien provided in this Declaration.

Section 8.12. Successor's Liability for Assessment. Except as provided in the Section named Subordination of Lien below, all successor Owners shall be personally liable and jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid Assessments, interest, late charges, costs, expenses and attorney's fees that accrue against such Unit during the prior Owner's ownership of the Unit. Nothing herein shall be construed as prohibiting a successor Owner from seeking to recover from any prior Owner any amounts paid by such successor Owner and that were the obligation of the prior Owner.

Section 8.13. Subordination of Lien. The lien of the Assessments provided for in this Declaration shall be subordinate to (a) the lien of real estate taxes and other governmental assessments or charges against the Unit, (b) liens and encumbrances recorded prior to the recordation of the Original Declaration, and (c) a First Mortgage which was recorded before the date on which the Assessment sought to be enforced became delinquent; provided, however, that the Association's lien is prior and superior to such First Mortgage in an amount equal to the Periodic Assessments that became due during the six (6) month period immediately preceding the filing of any foreclosure action. The lien of the Assessments shall be superior to and prior to any homestead exemption provided now or in the future by the laws of the State of Colorado. Selling or the Owner's transfer of any Unit shall not affect the Association's lien except that sale or transfer of any Unit pursuant to foreclosure of any First Mortgage shall only extinguish the Association's liens as provided in the Act. The amount of such extinguished lien may be reallocated and assessed to all Units as a Common Expense at the direction of the Executive Board. No sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

Section 8.14. Notice to Mortgagee. The Association may report to any Mortgagee any unpaid Assessments remaining unpaid for longer than ninety (90) days after the same shall have become due, if such Mortgagee first shall have furnished to the Association written notice of the Mortgage and a request for notice of unpaid Assessments. Any Mortgagee holding a Mortgage on a Unit may pay any unpaid Assessment payable with respect to such Unit, together with any and all costs and expenses incurred with respect to the Association's lien, and upon such payment that Mortgagee shall have a lien on the Unit for the amounts paid with the same priority as the Mortgage.

Section 8.15. Statement of Status of Assessment Payment. The Association shall furnish to an Owner or such Owner's designee or to a Mortgagee or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Association. If no statement is furnished to the Owner or Mortgagee or his or her designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the

inquiring party, the Association shall have no right to assert a lien upon the Unit for unpaid Assessments which were due as of the date of the request. For purposes of this Section 8.15, an "Owner's designee" or a "Mortgagee's designee" shall be an individual or an entity designated and specifically identified by name in a written instrument executed by the Owner or the Mortgagee and delivered to the Association's registered agent.

ARTICLE IX - DAMAGE OR DESTRUCTION

Section 9.1. **Damage to Common Elements.** In the event of damage or destruction to all or a portion of the Common Elements due to fire or other casualty, adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, will be applied by the Association to the costs and expenses of such reconstruction and repair. If the insurance proceeds with respect to such Common Elements damage or destruction are insufficient to reconstruct or repair the damaged or destroyed Common Elements, the Association may levy a Special Assessment in the aggregate amount of such insufficiency pursuant to that Article named Assessments and will proceed to make such reconstruction or repairs, unless any of the conditions set forth in Section 9.2 are satisfied. The Special Assessment provided for herein will be a personal obligation of each Owner and a lien on his or her Unit, and may be enforced and collected in the same manner as any Assessment provided for in the Declaration. In the event any of the conditions provided for in Section 9.2 are satisfied, insurance proceeds will be distributed jointly to the Owners and the First Mortgagees, if any, of their respective Units.

Section 9.2. **Reconstruction and Repair.** As provided in Section 9.1., the Association must promptly cause to be reconstructed or repaired any damaged portion of the Project unless:

- A. The Project is terminated pursuant to the Act;
- B. Reconstruction or repair would be illegal under any applicable federal, state or local statute or ordinance governing health or safety; or
- C. Eighty percent (80%) of the Owners vote against the reconstruction or repair, including all Owners whose Units and/or the Units' appurtenant Limited Common Elements will not be reconstructed or repaired.

ARTICLE X - CONDEMNATION

Section 10.1. **Rights of Owners.** Whenever all or any part of the Project shall be taken by any authority having power of condemnation or eminent domain or whenever all or any part of the Project is conveyed in lieu of a taking under threat of condemnation by the Executive Board acting as attorney-in-fact for all Owners under instructions from any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice of the taking or conveying. The Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 10.2. **Partial Condemnation, Distribution of Award; Reconstruction.** The award made for such taking shall be payable to the Association as trustee for those Owners to whom the conveyed portion of the Project was taken, and the award shall be disbursed as follows:

If the taking involves a portion of the Common Elements on which improvements have been constructed, then, unless within sixty (60) days after such taking the Owners who represent at least two-thirds (2/3) of the votes shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Elements to the extent lands are available for such restoration or replacement in accordance with plans approved by the Executive Board. If such improvements are to be repaired or restored, the provisions in that Article named Damage or Destruction above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Elements, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Unit among the Owners, first to the Mortgagees, if any, and then to the Owners, as their interests appear.

Section 10.3. **Complete Condemnation.** If all of the Project is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Common Elements shall be distributed as provided in that Section named Disbursement of Funds for Repair and Reconstruction above.

ARTICLE XI - MORTGAGEE'S RIGHTS

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

Section 11.1. **Approval Requirements.** Unless at least two-thirds (2/3) of the First Mortgagees (based on one (1) vote for each First Mortgage owned), and at least two-thirds (2/3) of the Owners have given their prior written approval, the Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, sell or transfer all or part of the Common Elements (provided, however that neither the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Elements, nor a lease of any portion of the Common Elements shall be deemed a transfer within the meaning of this clause); or

B. Change the method of determining the obligations, Assessments, dues, or other charges which may be levied against an Owner.

Section 11.2. **Right to Pay Taxes and Charges.** First Mortgagees may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy for such Common Elements, and First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

ARTICLE XII - DURATION OF COVENANTS AND AMENDMENT

Section 12.1. **Term.** The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity subject to the termination provisions of the Act and the following provisions.

Section 12.2. **Amendment.** This Declaration, or any provision of it, may be amended at any time by any instrument signed by Owners holding not less than two-thirds (2/3) of the votes possible to be cast under this Declaration and at least two-thirds (2/3) of the First Mortgagees (based on one (1) vote for each First Mortgage owned). Any amendment must be executed by the President of the Association and recorded in accordance with the Act, and approval of such amendment may be shown by attaching a certificate of the Secretary of the Association to the recorded instrument certifying that signatures of a sufficient number of Owners approving the amendment are on file in the office of the Association.

Recording of amendments to the Declaration in the office of the Clerk and Recorder of Summit County shall automatically:

A. Vest in each existing Owner any additional rights or interest appurtenant to his/her Unit; and

B. Vest in each existing Mortgagee a perfected security interest in the additional rights or interest appurtenant to the encumbered Unit.

Upon recording of an Amendment to the Map, the definitions used in this Declaration shall automatically be extended to encompass and to refer to the Project, as improved. All conveyances of Units after such amendment shall be effective to transfer rights in the Common Elements and Limited Common Elements as improved, whether or not reference is made to any amendment to the Declaration. Reference to the Declaration in any instrument shall be deemed to include all amendments to the Declaration without specific reference thereto.

Section 12.3. **Revocation.** This Declaration shall not be revoked, except as provided in that Article named Condemnation regarding total condemnation, without the consent of all of the Owners evidenced by a written instrument duly recorded.

ARTICLE XIII - PROTECTIVE COVENANTS

Section 13.1. **Improvements Prohibited.** No used or second-hand structure, no building of a temporary character, no mobile home, house trailer, tent, shack, or outbuilding shall be placed or used on the Common Elements, either temporary or permanently; except those items which are necessary for construction or reconstruction may be used during the period extending no later than (i) twenty four (24) months after commencement of construction or reconstruction or (ii) the date of substantial completion of said improvement, whichever is earlier. The placement, appearance and maintenance of such temporary structures may be subject to reasonable rules of the Executive Board governing such matters.

Section 13.2. **Trash.** No trash, ashes or other refuse or debris may be thrown or dumped on the Property. The burning of refuse out-of-doors shall not be permitted. No incinerators or

other device for the burning of refuse indoors shall be constructed, installed or used. Waste materials, garbage and trash shall be kept in sanitary containers, enclosed and screened from public view, protected from disturbance, and disposed of with reasonable promptness.

Section 13.3. Noxious or Offensive Activity. No noxious or offensive activity shall be conducted in any Unit, nor shall anything be done or placed on any Unit or the Property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No lights shall be emitted from any Unit which are unreasonably bright or cause unreasonable glare; no sound shall be emitted from any Unit which is unreasonably loud or annoying; and no odor shall be emitted from any Unit which is noxious or unreasonably offensive to other Owners.

Section 13.4. Restriction on Forms of Ownership. No Unit, nor any interest in any Unit, may be conveyed or owned pursuant to a timesharing or interval estate ownership arrangement as provided for in Sections 38-33-110 through 113, Colorado Revised Statutes, or pursuant to any other fractionalized means of ownership the result of which multiple record Owners, by and through an instrument recorded in the records of Summit County, Colorado, hold their fee interest in the entire Unit in any manner other than as joint tenants or as tenants in common. Any recorded instrument which violates the provisions of this Section shall, as a matter of law, create a tenancy in common by all Owners such Unit, with no restrictions whatsoever with regard to when all tenants in common may use or occupy the Unit.

Section 13.5. Unit Number. Each residential Unit shall have a Unit number with a design and at a location established by the Executive Board.

Section 13.6. Vehicles and Miscellaneous Equipment. Unless otherwise expressly permitted by the Act or as set forth in rules, regulations or policies adopted by the Executive Board, no automobile, truck, pickup, camper, motorbike, motorcycle, trail bike, trailer, mobile home, recreation vehicle, tractor, boat, snowmobile, maintenance equipment or any other vehicle of any type (in any case, "vehicles") shall be parked, stored or operated outside a Unit's garage. However, the parking of licensed vehicles weighing less than eight thousand (8,000) pounds gross vehicle weight will be permitted on the Common Elements parking area depicted on the Map according to rules, regulations and policies adopted by the Executive Board.

Section 13.7. Signs. Unless otherwise expressly permitted by the Act, no signs, billboards, poster boards, or advertising structure of any kind, including, but not limited to "For Sale", "For Rent", or similar real estate signs, shall be erected or maintained in the Project for any purpose whatsoever, except such signs as have been approved by the Executive Board pursuant to its rules.

Section 13.8. Pets. Dogs, cats or customary household birds may be kept on the Project, not to exceed a total of one (1) household pet per Unit without the written approval of the Executive Board. Such pets shall not be kept outside the Unit unless the pet is under direct supervision and control of the Owner. No pets owned by persons other than Owners, nor any wild animal, reptile, or bird may be trapped, transported, kept or maintained anywhere upon the Project. Breeding of any animals on the Project is specifically prohibited.

Section 13.9. **Trade Names and Trademarks.** The trademark and trade name "The Corral at Breckenridge" and all associated symbols and logos developed or used by the Association are the sole property of the Association. No Owner may use them in commerce in any form or manner without the prior written consent of the Executive Board or, alternatively, in accordance with rules relating to such use adopted by the Executive Board.

Section 13.10. **No Mining, Drilling or Quarrying.** Mining, quarrying, tunneling, or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand, rock and earth, shall not be permitted anywhere upon the Property.

Section 13.11. **Barbecue Grills.** Only natural gas or propane grills are permitted on the Property and such must be stored on the decks adjacent to a Unit. No solid-fuel burning devices, including, but not limited to, charcoal grills, shall be used, kept or stored on the Property.

Section 13.12. **Fireplaces.** Only natural gas fireplaces shall be permitted in any Unit, except as approved by the Town and the Association. An additional covenant with the Town of Breckenridge restricting the use of wood burning devices was recorded under Reception No. 518851, on July 10, 1996 in the Summit County records.

Section 13.13. **Commercial Units.** The Association has dedicated the Commercial Units designated on the Map to be a part of the Common Elements. The Association may use and regulate the use of the Commercial Units in accordance with the provisions of this Declaration.

ARTICLE XIV - GENERAL PROVISIONS

Section 14.1. **Maximum Number of Units.** The maximum number of Units in the Project will not exceed sixty-five (65).

Section 14.2. **Enforcement.** Except as otherwise provided in this Declaration, the Executive Board or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Executive Board of the Association or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 14.3. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 14.4. **Conflicts Between Documents.** In case of conflict between this Declaration and the Articles and the Bylaws of the Association, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Section 14.5. **References to Town Standards.** Whenever in this Declaration there is a reference to Development Permits, land use regulations, zoning, other Town standards, any maps or plats approved by the Town or any other federal, state or local rule, law or regulation, such references shall automatically be waived, released, modified or amended, as the case may be, to correspond with any subsequent waiver, release, modification or amendment of such regulations, zoning, other Town standard, Approval Resolutions, maps, plats or any other rule or law. To the extent any provisions of this Declaration conflict with the ordinances, rules or regulations adopted by the Town of Breckenridge, the provisions in the ordinances, rules or regulations of the Town shall control.

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CERTIFICATION

The President and the Secretary of the Association, by their signatures below, hereby certify, affirm and attest that the foregoing Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge dated August 1, 2013, has been approved and adopted by the Board of Directors of the Association, by two-thirds of the Owners, and by two-thirds of the holders of First Mortgages on the Units, and that the signatures of the Owners approving such Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge dated August 1, 2013, are on file in the records of the Association.

THE CORRAL AT BRECKENRIDGE
HOMEOWNERS ASSOCIATION
a Colorado non-profit corporation

By: [Signature]
Geoffrey L. Forman, President

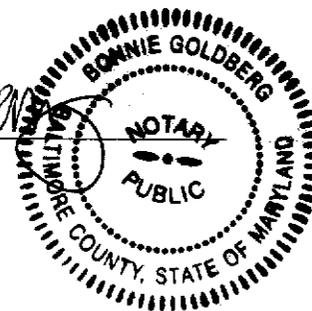
By: [Signature]
C.J. Milmoie, Secretary

STATE OF Maryland)
COUNTY OF Baltimore) ss.

The foregoing instrument was acknowledged before me this 18th day of October, 2013 by Geoffrey L. Forman, as President of The Corral at Breckenridge Association, a Colorado non-profit corporation.

Witness my hand and official seal.
My Commission Expires: 3/4/16

[Signature]
Notary Public



STATE OF Virginia)
COUNTY OF Arlington) ss.

The foregoing instrument was acknowledged before me this 31st day of October, 2013 by C.J. Milmoie, as Secretary of The Corral at Breckenridge Association, a Colorado non-profit corporation.

Witness my hand and official seal.
My Commission Expires: 09/30/2016

[Signature]
Notary Public



Shaunjeet S Gill
Notary Public 7525250
Commonwealth of Virginia

My Commission Expires September 30, 2016

EXHIBIT A
COMMON EXPENSE ALLOCATION
THE CORRAL AT BRECKENRIDGE

Unit No.	Square Footage	Allocated Interest
101W	1082	1.32%
102W	1082	1.32%
103W	1082	1.32%
201W	1082	1.32%
202W	1405	1.72%
203W	1082	1.32%
204W	1082	1.32%
205W	1082	1.32%
206W	1082	1.32%
207W	1082	1.32%
208W	1082	1.32%
209W	1082	1.32%
301W	1491	1.83%
302W	1491	1.83%
303W	1491	1.83%
304W	1491	1.83%
305W	1491	1.83%
306W	1491	1.83%
307W	1491	1.83%
308W	1491	1.83%
309W	1491	1.83%
101E	1458	1.78%
102E	1022	1.25%
103E	722	0.88%
104E	722	0.88%
105E	1022	1.25%
106E	1405	1.72%
201E	1458	1.78%
202E	1082	1.32%
203E	1082	1.32%
204E	1082	1.32%
205E	1082	1.32%
206E	1082	1.32%
207E	1082	1.32%
208E	1405	1.72%
301E	1491	1.83%
302E	1491	1.83%
303E	1491	1.83%
304E	1491	1.83%

305E	1491	1.83%
306E	1491	1.83%
307E	1491	1.83%
308E	1491	1.83%
100S	800	0.98%
101S	1435	1.76%
102S	1114	1.36%
103S	1118	1.37%
104S	1118	1.37%
105S	1118	1.37%
106S	1118	1.37%
107S	1119	1.37%
108S	1390	1.70%
201S	1535	1.88%
202S	1114	1.36%
203S	1119	1.37%
204S	1119	1.37%
205S	1118	1.37%
206S	1119	1.37%
207S	1531	1.87%
208S	1516	1.86%
302S	1535	1.88%
303S	1119	1.37%
304S	1540	1.89%
305S	1540	1.89%
306S	1119	1.37%
Total:	81714	100.03%