

Eagle County Clerk and Recorder:

Index in grantee's index under "Racquet Club," "Vail Racquet Club," "Racquet Club Owners Association," and "Vail Racquet Club Owners Association" and in the grantor's index under "Racquet Club Owners Association" and the names of each person executing this Declaration.

**AMENDED AND RESTATED CONDOMINIUM DECLARATION
FOR
RACQUET CLUB OWNERS ASSOCIATION**

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**AMENDED AND RESTATED CONDOMINIUM DECLARATION
FOR
RACQUET CLUB OWNERS ASSOCIATION**

This Amended and Restated Condominium Declaration for Racquet Club Owners Association ("Declaration") is effective upon recording.

RECITALS

A. The Condominium Declaration for Vail Racquet Club Condominiums was recorded on December 13, 1973, at Reception No. 128369 with the Eagle County Clerk and Recorder (the "Original Condominium Declaration").

B. The Original Condominium Declaration has been amended by those amendments and supplements recorded at the Eagle County Clerk and Recorder, as follows:

1. First Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded December 6, 1974, at Reception No. 133746 with the Eagle County Clerk and Recorder.
2. Second Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded December 31, 1975, at Reception No. 140082 with the Eagle County Clerk and Recorder.
3. Third Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded November 24, 1976, at Reception No. 146561 with the Eagle County Clerk and Recorder.
4. Fourth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded June 1, 1977, at Reception No. 152160 with the Eagle County Clerk and Recorder.
5. Fifth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded June 1, 1977, at Reception No. 152160 with the Eagle County Clerk and Recorder.
6. Sixth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded June 6, 1972, at Reception No. 167395 with the Eagle County Clerk and Recorder.
7. Seventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded July 19, 1979, at Reception No. 184976 with the Eagle County Clerk and Recorder.
8. Eighth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded April 15, 1980, at Reception No. 198132 with the Eagle County Clerk and Recorder.
9. Ninth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded September 5, 1980, at Reception No. 204762 with the Eagle County Clerk and Recorder.
10. Tenth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded November 9, 1981, at Reception No. 228183 with the Eagle County Clerk and Recorder.
11. Eleventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded March 19, 1986, at Reception No. 234286 with the Eagle County Clerk and Recorder.
12. First Amendment to the Eleventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums for Building 15 recorded January 10, 2006, at Reception No. 20060095 with the Eagle County Clerk and Recorder.
13. Second Amendment to the Eleventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums for Building 15 recorded August 14, 2006, at Reception No. 200622029 with the Eagle County Clerk and Recorder and any others of record.

C. Article 15 of the Original Condominium Declaration, as amended, provides that it may be amended by owners representing an aggregate ownership interest of 75% or more in the general common elements. However, pursuant to C.R.S. Section 38-33.3-217, any Owner approval requirement over 67% is declared void as contrary to public policy. Accordingly, the Original Condominium Declaration may be amended with the agreement of 67% of the Owners.

D. The Condominium Declaration for Racquet Club Townhomes was recorded on January 9, 1980, in Book 297 at Page 170 with the Eagle County Clerk and Recorder (the "Original Townhome Declaration).

E. The Original Townhome Declaration has been amended by those amendments and supplements recorded at the Eagle County Clerk and Recorder, as follows:

1. First Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 13, 1981, at Reception No. 216303 with the Eagle County Clerk and Recorder.
2. Second Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 13, 1981, at Reception No. 216304 with the Eagle County Clerk and Recorder.
3. Third Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 13, 1981, at Reception No. 216305 with the Eagle County Clerk and Recorder.
4. Fourth Supplement to Condominium Declaration for Racquet Club Townhomes recorded May 28, 1982, at Reception No. 237368 with the Eagle County Clerk and Recorder.
5. Fifth Supplement to Condominium Declaration for Racquet Club Townhomes recorded May 28, 1982, at Reception No. 237369 with Eagle County Clerk and Recorder.
6. Sixth Supplement to Condominium Declaration for Racquet Club Townhomes recorded May 28, 1982, at Reception No. 237370 with the Eagle County Clerk and Recorder.
7. Seventh Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 18, 1983, at Reception No. 252018 with the Eagle County Clerk and Recorder.
8. Eighth Supplement to Condominium Declaration for Racquet Club Townhomes recorded April 11, 1984, at Reception No. 279332 with the Eagle County Clerk and Recorder.
9. Ninth Supplement to Condominium Declaration for Racquet Club Townhomes recorded April 11, 1984, at Reception No. 279333 with the Eagle County Clerk and Recorder.
10. Tenth Supplement to Condominium Declaration for Racquet Club Townhomes recorded April 11, 1984, at Reception No. 279334 with the Eagle County Clerk and Recorder.
11. Eleventh Supplement to Condominium Declaration for Racquet Club Townhomes recorded September 5, 1985, at Reception No. 320537 with the Eagle County Clerk and Recorder.
12. Twelfth Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 19, 1987, at Reception No. 355750 with the Eagle County Clerk and Recorder.
13. Thirteenth Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 19, 1987, at Reception No. 355751 with the Eagle County Clerk and Recorder.

F. The Original Condominium Declaration and the Original Townhome Declaration, as amended, together with all Maps of record, shall collectively be referred to as the "Original Declaration."

G. This Declaration does not alter the undivided interest of the Units and does not terminate the Condominium.

H. The purposes of the amendments in this Declaration include, but are not limited to the following:

- to update the Original Declaration to comply with current state law;
- to clarify the allocation of maintenance responsibilities and insurance between the Association and the Owners;
- to delete declarant rights and responsibilities that are no longer applicable;
- to change restrictions in the Community;
- to update provisions so as to allow the Association to efficiently operate the Community and deal with Community concerns; and
- to add provisions that provide tools for the Association to effectively solve problems and enforce the Declaration, Bylaws and Rules and Regulations.

I. Owners holding at least 67% of the total Association vote and all of the first Mortgage Holders of all the Condominium Units desire and consent to amend the Original Declaration, have approved this Declaration in writing, and have determined this Declaration to be reasonable and not burdensome.

The Original Declaration, as amended, is replaced by this Declaration.

ARTICLE 1. NAME

Section 1.1 Name and Type. The type of common interest community is a condominium community. The condominium community may be referred to as the Racquet Club, Vail Raquet Club, or Vail Raquet Club Mountain Resort. The Association's legal name is the Racquet Club Owners Association.

Section 1.2 Purpose. One of the Association's goals is to preserve the value and desirability of the Community and the Units and to further the interests of the Community's residents and the Association's Members.

ARTICLE 2. DEFINITIONS

Section 2.1 General. Terms used in these Governing Documents, as defined below, have their normal, generally accepted meanings or the meanings given in the Colorado Common Interest Ownership Act or the Colorado Revised Nonprofit Corporation Act.

(a) **Act** means the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, et seq., as may be amended from time to time, to the extent it applies to communities created prior to July 1, 1992.

(b) **Association** means Racquet Club Owners Association, a Colorado nonprofit corporation, and its successors. Unless a particular power is expressly reserved to the Owners, all powers of the Association will be exercised by, and the business and affairs of the Association will be conducted and managed by the Board of Directors.

(c) **Board or Board of Directors** means the body responsible for management and operation of the Association. The term has the same meaning as executive board as defined in the Act.

(d) **Bylaws** mean the Bylaws of the Association.

(e) Club means the Vail Racquet Club, providing tennis, pickleball, a pool, gym, and other recreational facilities. The Club is a Common Element which is managed by the Association. Each Unit shall receive one family membership in the Club, which is an appurtenance to, not severable from, and which transfers automatically with the Unit. Club use and operations are subject to Rules and Regulations as may be promulgated by the Board. The Association may levy Club dues and assessments to fund operations consistent with the terms of Article 5 of this Declaration.

(f) Common Elements means those portions of the property subject to this Declaration and the Map, other than the Units, and are co-owned by the Owners as tenants-in-common.

(g) Common Expenses mean the expenses and liabilities incurred or anticipated to be incurred by the Association including, but not limited to, those expenses incurred for maintaining, repairing, replacing, and operating the Common Elements, and for fulfilling any of the Association's obligations.

(h) Community means all that property as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference which is submitted to the provisions of the Act by this Declaration. If there is any discrepancy between the description of the property in the Original Declaration, as amended, and Exhibit "A," the description in the Original Declaration will control.

(i) Declaration means this Amended and Restated Declaration, as may be amended and supplemented from time to time.

(j) Governing Documents mean this Declaration and all exhibits hereto, the Association's Articles of Incorporation, Bylaws, Map, Rules and Regulations, and Policies and Procedures, all as may be supplemented or amended from time to time.

(k) Limited Common Elements means portions of the Common Elements reserved for the exclusive use of those entitled to occupy one or more, but less than all, Units, as more particularly set forth in this Declaration.

(l) Map means the condominium maps for the Community as recorded, which maps are a part of this Declaration.

(m) Mortgage means any mortgage, deed to secure debt, deed of trust, or other transfer or conveyance for the purpose of securing the performance of an obligation including, but not limited to, a transfer or conveyance of fee title for such purpose.

(n) Mortgage Holder means the holder of any Mortgage.

(o) Owner or Unit Owner means the record titleholder of a Unit within the Community but does not include a Mortgage Holder.

(p) Person means any individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity.

(q) Policies and Procedures mean any instrument, however denominated, as a part of any of the Governing Documents, and/or separately adopted by the Association, as required under the Act as responsible governance policies, and other policies as may be adopted by the Association. The definition of Policies and Procedures may include Rules and Regulations.

(r) Resident means any Person staying overnight in a Unit for a total of more than 30 days, either consecutive or nonconsecutive, in any calendar year, and includes tenants.

(s) Rules and Regulations mean any instrument, however denominated, adopted by the Association, as allowed for under this Declaration and the Act, for the regulation and management of the Community and/or Units, including any amendments or revisions.

(t) Unit means that portion of the Community intended for individual ownership and use as more particularly described in this Declaration and includes the undivided ownership in the Common Elements assigned to the Unit by this Declaration. There are both condominium and townhome Units in the Community.

ARTICLE 3. LOCATION, UNIT BOUNDARIES, COMMON AND LIMITED COMMON ELEMENTS AND EASEMENTS

Section 3.1 Location. The Community subject to this Declaration and the Act is located in Eagle County, Colorado, and as more particularly provided in the Original Declaration or in Exhibit "A" to this Declaration.

Section 3.2 Units and Boundaries. The Community consists of Units, Common Elements and Limited Common Elements and each Unit's allocated interest in the Common Elements. Each Unit is conveyed as a separately designated and legally described Unit subject to the Act and the Governing Documents. Each Unit includes that part of the structure, which lies within the following boundaries:

(a) **Residential Unit Boundaries.**

(i) Vertical Boundaries. Each Unit's vertical boundaries are the vertical planes formed by the unfinished interior surfaces of the perimeter or vertical walls.

(ii) Horizontal Boundaries. The Unit's horizontal boundaries are the unfinished interior surfaces of the floors and ceilings.

(iii) Additional Information to Interpret Unit Boundaries. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, surface texture, wallpaper, paint, finished flooring, and any other materials constituting the finished surfaces are part of the Unit and all other portions of the floors, walls and ceilings are part of the Common Elements. Each Unit includes the spaces and improvements lying within the boundaries of the Unit, including boilers, water heaters, windows, window frames, skylights, fireplaces, doors, door frames, interior walls, and partition walls.

(b) Existing Physical Boundaries. In interpreting deeds and the Map, the existing physical boundaries of a Unit as originally constructed or of a Unit reconstructed in substantial accordance with the original Map thereof are conclusively presumed to be its boundaries rather than the metes and bounds expressed in any deed or the Map, regardless of settling or lateral movement of the building in which the Unit was located, and regardless of minor variances between the boundaries shown on the Map or in a deed and those of the Unit.

Section 3.3 Common Elements. The Common Elements include those portions of the property subject to this Declaration and the Map, other than the Units, which are co-owned by the Owners as tenants-in-common.

Section 3.4 Limited Common Elements. The Limited Common Elements include:

(a) any portions of the Common Elements depicted on the Map as a Limited Common Element;

(b) any decks, balconies, porches, patios, stoops, walkways, window wells, storage spaces attics, and crawlspaces serving a Unit; and

(c) any chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture which lies partially within and partially outside the boundaries of a Unit, the portion serving only the Unit is a Limited Common Element allocated solely to that Unit, and any portion serving more than one Unit is a Limited Common Element to those Units. Any portion serving only the Common Elements is part of the Common Elements.

Section 3.5 Assignment and Reassignment of Limited Common Elements.

A Common Element not previously assigned as a Limited Common Element may be so assigned and a Limited Common Element may be reassigned by the Association, without the need for a vote of the Owners, upon written application to the Association by the Owner or Owners for whose exclusive use the Common Element is requested or whose use of the Limited Common Element previously assigned is directly affected. Upon application, the Association may prepare and execute an amendment to the Declaration assigning the Common Element as a Limited Common Element or reassigning the Limited Common Element, which amendment will be executed by the Owner or Owners making the application.

Upon application, the enclosure of a Limited Common Element deck appurtenant to a townhome Unit may also be approved by the Board of Directors, upon conditions that it may determine appropriate. If approved, such Owner agrees to protect and hold harmless the Association from all claims, damages, risks, liability and maintenance associated with, reasonably necessary, incurred or required by virtue of the Owner's proposed installations and modifications the Owner may make to the Unit.

Section 3.6 Easements for Use and Enjoyment. Owners and Residents have a right and non-exclusive easement of ingress and egress, and use and enjoyment in and to the Common Elements, which are appurtenant to and pass with the title to the Unit, subject to the following provisions:

- (a) the Owners' rights to the exclusive use of the Limited Common Elements assigned to their respective Units;
- (b) the Association's right to have access to the Units and Limited Common Elements assigned to a Unit to discharge its rights and obligations, under the Governing Documents, including without limitation, the Association's maintenance responsibility;
- (c) the Association's right to suspend an Owner's rights to use the recreational facilities for any period during which any assessment or charge against his Unit remains unpaid and for an infraction of the Declaration, Bylaws, or Rules and Regulations for the duration of the violation;
- (d) the Association's right to grant easements, leases and licenses across the Common Elements;
- (e) the Association's right to dedicate or transfer all or any portion of the Common Elements subject to approval of Owners holding 67% of the total Association vote; and
- (f) the Association's right to change the use of portions of the Common Elements or to close portions of the Common Elements.

Each Owner, members of his family, and guests shall have the rights of use and enjoyment in and to the Club, Common Elements and facilities located thereon. If the Unit is leased, the Owner will be deemed to have delegated these rights to the Residents of his Unit.

Section 3.7 Easement for Entry. The Association has an easement to enter into Units for maintenance, emergency, security, or safety purposes. Except in an emergency situation, entry will be only during reasonable hours and after reasonable notice to the Owner or Resident of the Unit. For the purposes of this section, an emergency justifying immediate entry into a Unit includes, but is not limited to, the following situations: a water or other utility leak, fire, strong foul odor, obvious insect infestation or

sounds indicating that a Person or animal might be injured or sick and require immediate medical attention. The failure to exercise the easement rights in the event of emergency, security, or safety purposes does not create liability to the Association, it being agreed that no duty to enter a Unit for such purposes exists.

Each Owner will provide access to his Unit to the Association, electronic, key, or otherwise, and will afford to the Association and other Owners, and to their agents or employees, access through the Owner's Unit reasonably necessary to allow the Association or other Owners to fulfill their respective maintenance, repair, and replacement obligations. If damage is inflicted, or a strong likelihood exists that it will be inflicted on the Common Elements or any Unit through which access is taken, the Owner responsible for the damage, or expense to avoid damage, or the Association if it is responsible, is liable for the cost of prompt repair.

Section 3.8 Support. Every portion of a Unit and all Common Elements contributing to the support of an abutting Unit are burdened with a non-exclusive easement of support for the benefit of the abutting Unit.

Section 3.9 Encroachments. To the extent that any Unit or Common Element encroaches on any other Unit or Common Element, a valid easement for the encroachment exists. This easement does not relieve an Owner of liability in case of willful misconduct.

Section 3.10 Utilities. To the extent that any utility line, pipe, wire, or conduit serving any Unit(s) or the Common Elements lies wholly or partially within the boundaries of another Unit or the Common Elements, the other Unit(s) or the Common Elements are burdened with a non-exclusive easement for the use, maintenance, repair and replacement of the utility line, pipe, wire or conduit, the non-exclusive easement to be in favor of the Unit(s) or Common Elements served by the same and of the Association.

ARTICLE 4. ASSOCIATION MEMBERSHIP AND ALLOCATION OF INTERESTS

Section 4.1 Membership. Every Person who is a record Owner of a fee interest in any Unit subject to this Declaration is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit is the sole qualification for membership. No Owner, whether one or more Persons, will have more than one membership per Unit owned. Membership is not intended to include Persons who hold an interest merely as security for the performance of an obligation, but the giving of a security interest will not terminate the Owner's membership.

Section 4.2 Allocated Interests.

(a) **Voting.** The Owner or collective Owners of a Unit is entitled to one equally weighted vote for the Unit. When more than one Person holds an ownership interest in any Unit, the vote for the Unit will be exercised as those Owners determine among themselves, otherwise the Unit's vote will be suspended if more than one Person seeks to exercise it.

(b) **Common Expenses.** The amount of all Common Expenses will be assessed on a pro rata basis based on Unit type.

(c) **Interests in the Common Elements.** The percentage of ownership interest in the Common Elements is divided between the Units as shown on Exhibit "B."

ARTICLE 5. ASSESSMENTS

Section 5.1 Purpose of Assessment. The Association has the power to levy assessments. The assessments for Common Expenses are used to fulfill the Association's obligations pursuant to this

Declaration and to promote the common benefit and enjoyment of the Owners and Residents in the Community as may be more specifically defined and authorized from time to time by the Association.

Section 5.2 Payment of Assessments. Assessments will be paid in the manner and on the dates as may be fixed by the Association. Unless otherwise provided by resolution, the annual assessments will be paid in equal monthly installments due on the first day of each calendar month. No Owner may exempt himself from liability for or otherwise withhold payment of assessments for any reason whatsoever, including, but not limited to, nonuse of the Common Elements, the Association's failure to provide services or perform its obligations required hereunder, or inconvenience or discomfort arising from the Association's performance of its duties.

Section 5.3 Personal Obligation For Assessments. Each Owner is deemed to covenant and agrees to pay to the Association: (a) annual, quarterly, or monthly assessments or charges; (b) special assessments; (c) specific unit assessments, (d) Club dues, or (e) other charges which are established pursuant to the terms of this Declaration. These amounts are also the personal obligation of the Person who was the Owner of the Unit at the time when the assessment fell due. The personal obligation to pay any past due sums to the Association will not pass to a successor in title unless expressly assumed by him.

Section 5.4 Lien. All assessments, together with charges, interest, costs, and reasonable attorney's fees actually incurred (including post-judgment attorney fees, costs and expenses), up to the maximum amount permitted by law, will be a charge on the Unit and a continuing lien upon the Unit against which each assessment is made. The Association has the authority to record a notice of lien in the Eagle County, Colorado real property records evidencing the lien created under this Declaration. The Association's lien under this article is not subject to the provision of any homestead exemption as allowed under state or federal law. The lien has priority as set forth in the Act.

Section 5.5 Specific Unit Assessments. The Association has the power to levy specific unit assessments against Units pursuant to this section, as it deems appropriate.

(a) Any expense or liability incurred by the Association as a result of the willful, negligent, or wrongful act of an Owner, Resident, family member, guest, or invitee, or any breach by any of these parties of any of the provisions of the Governing Documents, may be an assessment against the Unit.

(b) Any expense associated with the maintenance, repair, or replacement of a Limited Common Element may be assessed against the Unit(s) to which that Limited Common Element is assigned, equally or in any other equitable proportion as determined by the Association.

(c) Any expense benefiting fewer than all of the Units, or significantly disproportionately benefiting all Units, may be assessed equitably against those Units benefiting according to the benefit received. Except as provided in subsection (a) above, expenses incurred for the maintenance, repair or replacement of the Common Elements (but not the Limited Common Elements) will not be assessed as specific unit assessment.

(d) Any expense related to utilities, including but not limited to water, sewer, gas and electricity, may be specifically assessed equitably among the Units in proportion to use rather than in proportion to the percentage interests in the Common Elements, if use can be reasonably determined or estimated through means such as, but not limited to, separate buildings, metering or evaluation by an independent entity with expertise in making these determinations.

(e) Any expense related to insurance premiums may be assessed against Units in proportion to risk.

Section 5.6 Delinquent Assessments. All assessments and related charges not paid on or before the due date will be delinquent, and the Owner will be in default.

(a) If any assessment, any part or installment thereof or any other fine, special assessment or charge is not paid in full within thirty days of the due date, or any later date as may be set forth in the Association's collection policy:

(i) a late charge in an amount set forth in the Association's collection policy may be imposed without further notice or warning to the delinquent Owner;

(ii) interest at the rate set forth in the Association's collection policy, not to exceed the maximum amount permitted by Colorado law, may be imposed without further notice or warning to the delinquent Owner; and

(iii) upon 30 days' written notice to the Owner, the Association may accelerate and declare immediately due all of that Owner's unpaid installments. Upon acceleration, that Owner loses the privilege of paying any and all assessments and charges in installments for that fiscal year, unless the privilege is otherwise reinstated in the Association's sole discretion.

(b) If assessments, fines or other charges, or any part thereof, remain unpaid more than thirty days after the assessment payments first become delinquent, the Owner's right to vote and right to use the recreational facilities will be automatically suspended until all amounts owed are paid in full, and the Association may institute suit to collect all amounts due pursuant to the provisions of the Declaration, the Bylaws, and Colorado law, including reasonable attorney fees actually incurred. Enforcement under this section is not dependent upon or related to other restrictions and/or other actions.

(c) If partial payment of assessments or other charges are made, the amount received will be applied as specified in the Association's collection policy.

(d) Further, the Association may bring an action at law or in equity, or both, against any Owner personally obligated to pay the overdue assessments or related charges, or monthly or other installments thereof, and may also proceed to foreclose its lien against the Owner's Unit. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments or related charges, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien against the Unit.

(e) The Association's foreclosure or attempted foreclosure of its lien will not be deemed to preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment or related charges, or monthly or other installments thereof, which are not fully paid when due. The Association has the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any assessment lien, and an Owner abandons or leaves vacant his Unit, the Association may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Owner. The rights of the Association are expressly subordinate to the rights of any holder of a first lien security interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 5.7 Budget and Assessment. Prior to the beginning of each fiscal year, the Association will prepare a budget covering the estimated costs of operating the Community during the coming year, including an annual reserve contribution for replacement of improvements that are the Association's responsibility, and establish the annual assessment or installments for the coming year. The Association will deliver a summary of the budget to each Owner within 90 days after adopting the budget and set a date for a meeting of the Owners to consider the budget, which meeting will occur within a reasonable time after delivery of the budget summary, and may also be the annual meeting. The budget and the assessment will become effective unless disapproved at a duly called Association

meeting by a majority of the total Association vote; provided, however, if a quorum is not obtained at the annual or other meeting called to ratify the budget, the budget will become effective even though a vote to disapprove the budget could not be called at this meeting.

If the membership disapproves the proposed budget or the Association fails for any reason to determine the budget for the succeeding year, then and until a new budget is determined, the budget in effect for the current year will continue for the succeeding year. In such case, the Association may propose a new budget at any time during the year. The approval procedure set forth in this section for budgets will also apply to a new budget proposed by the Association.

Section 5.8 Special Assessments. In addition to the annual assessment provided for above, the Association may, at any time, and in addition to any other rights it may have, levy a special assessment against all Owners to meet any unanticipated or unexpected expenses, and may also offer the special assessment to be payable in installments, and/or may provide for a discount for a lump sum payment.

Section 5.9 Garden Level Units. The Association is the owner of certain Garden Level Units in Buildings 4, 13, and 14. These Units are exempt from payment of assessments until they are sold or conveyed to a third party.

Section 5.10 Capital Contribution and Working Fund. The Association may require that each Owner, upon transfer of a Unit to that Owner, pay to the Association at the time of the closing of the transfer, a capital contribution in an amount equal to two months of the annual assessment to which the Unit is subject at the time of the transfer. The statement of assessments prepared in accordance with the Act may include the amount of this capital contribution to be due and payable to the Association from the Owner taking title to a Unit at the time of the transfer of the Unit to the Owner. The Association will deposit the capital contribution in its reserve account. This capital contribution is a lien on the Unit and, if not paid at the closing of the Unit, may be collected in accordance with the terms of this Declaration. This capital contribution does not apply to the following:

- (a) a transfer by a co-Owner to another co-Owner;
- (b) a transfer to the estate of an Owner, a transfer to the surviving spouse of an Owner or a transfer to child of an Owner following the Owner's death;
- (c) a transfer to an entity wholly owned by the grantor, provided that, upon any subsequent transfer of an ownership interest in the entity, the capital contribution will become due;
- (d) a transfer to a trust of which the Owner is the beneficiary; provided, that upon any subsequent transfer of the Unit to a party other than the Owner, the capital contribution will become due;
- (e) a transfer in lieu of foreclosure or foreclosure of a deed of trust; provided that upon the subsequent transfer to a third party, the capital contribution will become due.

The Association may require that each Owner deposit at closing with the Association an amount equal to two times the monthly installment of the current annual assessment, which sum may be maintained in a segregated account and used to ensure that the Association has adequate funds available to meet unforeseen expenditures or may be used for regular operating expenses or to fund reserves, at the discretion of the Association. The working fund does not relieve an Owner from the obligation to pay the monthly installment of the annual assessment.

Section 5.11 Statement of Account. The Association will furnish to an Owner or the Owner's designee or to a holder of a security interest or its designee a statement setting forth the amount of unpaid assessments then levied against the Unit in which the Owner, designee, or holder of a security

interest has an interest. The Association will deliver the statement personally or by certified mail, first class postage prepaid, return receipt requested to the inquiring party within 14 calendar days after the Association's registered agent receives the request by personal delivery or by certified mail, first class postage prepaid, return receipt requested. The information contained in the statement, when signed by the Association's treasurer or managing agent, if any, will bind the Association, the Board, and every Owner as to the Person(s) to whom the statement is issued and who rely on it in good faith. The Association may establish a reasonable fee relating to the statement, which may incorporate any fees imposed by a managing agent.

Section 5.12 Surplus Funds and Common Profits. Surplus funds from whatever source will be applied to the payment of Common Expenses. Any funds remaining after application will, at the Association's option, be: (a) added to the Association's capital reserve account; (b) distributed to the Owners; or (c) credited to the next assessment chargeable to the Owners in proportion to the liability for Common Expenses attributable to each Unit.

Section 5.13 Borrowing. The Association has the power to borrow money and assign future income, including the right to assign its right to receive Common Expense assessments.

ARTICLE 6. MAINTENANCE RESPONSIBILITY

Section 6.1 By the Owner. Each Owner is obligated to maintain and keep in good repair all portions of his Unit, except any portion of a Unit which is expressly made the Association's maintenance obligation as set forth below. This maintenance responsibility includes the responsibility to maintain, repair, replace, or improve the following:

- (a) the materials making up the finished surfaces of the walls, interior non-load bearing walls, floors and ceilings, including, but not limited to plaster, drywall, paneling, wallpaper, paint, wall and floor tile, carpet and flooring (but not including the sub-flooring in the lowermost floor of the Unit);
- (b) all glass surfaces (including exterior cleaning);
- (c) windows, window frames (except for periodic painting or staining of the exterior window frames), casings and locks (including caulking of windows), and screens;
- (d) all doors, doorways, door frames, and hardware that are part of the entry system of the Unit (except for periodic painting or staining of the exterior surface of entry doors and door frames);
- (e) all pipes, lines, ducts, dryer vents, conduits, or other apparatus which serve only the Unit from the point where the lines enter the Unit (including all electricity, water, or sewer pipes, lines, ducts, conduits, or other apparatus serving only the Unit);
- (f) any fireplace (but excluding the chimney flue and caps) that serves only the Unit;
- (g) all communications, television, telephone, cable and electrical lines, receptacles and boxes which serve only the Unit from the point where the lines enter the Unit;
- (h) storage areas appurtenant to Unit;
- (i) skylights;
- (j) sump pump located within or serving the Unit;
- (k) crawlspace appurtenant to Unit;
- (l) attic appurtenant to Unit;

(m) hot water heaters and associated pipes, lines, ducts, conduits or other apparatus which serve the Unit, whether located within or outside the boundaries of the Unit;

(n) any portion of any heating system serving the Unit, whether located within or outside the boundaries of the Unit;

(o) (any light fixtures and light bulbs in the rear patio area or on the balcony; and

(p) any improvements to the Unit and/or the Common Elements made by the Owner or the Owner's predecessor. Every Owner is responsible to determine what improvements have been made to the Unit and/or associated Common Elements by any predecessor-in-interest.

Section 6.2 Additional Owner Responsibilities. In addition, each Owner will have the responsibility:

(a) to keep in a neat, clean and sanitary condition any Limited Common Elements serving his Unit, including keeping the walkway and patio appurtenant to the Unit free and clear of snow, ice, and any accumulation of water or other debris;

(b) to perform his responsibility in a manner so as not to unreasonably disturb other Persons in other Units;

(c) to promptly report to the Association or its agent any defect or need for repairs for which the Association is responsible;

(d) to pay for the cost of repairing, replacing, or cleaning up any component of the Community which, although the responsibility of the Association or another Owner, is necessitated by reason of the willful, negligent or wrongful act of the Owner, Resident, family member, guest or invitee, with the cost thereof to be added to and become part of the Owner's assessment obligation;

(e) to repair incidental damage to another Unit or the Common Elements, resulting from performance of work that is the Owner's responsibility. Such repair and subsequent cleaning will be performed based upon a reasonableness standard as determined by the Board of Directors.

Subject to the maintenance responsibilities herein provided, any maintenance or repair performed on or to the Common Elements by an Owner or Resident which is the Association's responsibility (including, but not limited to landscaping of Common Elements) will be performed at the Owner's or Resident's sole expense and the Owner or Resident will not be entitled to reimbursement from the Association even if the Association accepts the maintenance or repair.

Section 6.3 By the Association. Except as provided above, the Association will maintain, replace, and improve as a Common Expense all Common Elements, including any Limited Common Elements, but excluding any improvements made to a Limited Common Element by the Owner or the Owner's predecessor. This responsibility will include:

(a) structural integrity of the buildings, including foundations;

(b) siding on the exterior of the buildings;

(c) roofs, roof decking, roof trusses, gutters and downspouts;

(d) painting or staining of the exterior window frames;

(e) painting or staining of the exterior surface of entry doors and door frames;

- (f) fence or wall enclosing patios or decks appurtenant to Unit;
- (g) patio or deck appurtenant to Unit;
- (h) balcony decking and balcony railing appurtenant to Unit;
- (i) any light fixtures and light bulbs in the front porch area;
- (j) all pipes, lines, ducts, conduits or other apparatus until the lines enter a Unit; and
- (k) all communications, television, telephone, cable and electrical lines, receptacles and boxes until the lines enter the Unit.

The foregoing maintenance will be performed consistent with the community-wide standard as determined by the Board of Directors.

If, during the course of performing its maintenance responsibilities, the Association discovers that maintenance, repair or replacement is required of an item which is the Owner's responsibility, and the maintenance, repair or replacement must be performed for the Association to properly complete its maintenance project, then the Association may perform the work on behalf of the Owner and at the Owner's sole expense, without prior notice to the Owner, the maintenance repair or replacement being deemed an emergency situation.

If the Association determines that the need for maintenance or repair of the Common Elements is caused through the willful or negligent act of any Owner, or Resident or his family, guests, lessees, or invitees, then the Association may assess the cost of the maintenance, repair, or replacement against the Owner's or Resident's Unit, which also will become the Owner's personal obligation, a lien against the Unit, and will be collected as provided in this Declaration for the collection of assessments.

Section 6.4 Liability for Damage. The Association will repair incidental damage to any Unit resulting from performance of work that is the Association's responsibility. As finish levels can have varying degrees, the repairs will be complete only to the extent of being "paint-ready." The repair and subsequent cleaning will be performed based on a reasonableness standard as determined by the Board of Directors. In performing its responsibilities hereunder, the Association will have the authority to delegate any of its duties to Persons, firms or corporations it chooses.

The Association will not be liable for injury or damage to Person or property caused by the elements or by any Owner, or any other Person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain, except for injuries or damages arising after the Owner of a Unit has put the Association on notice of a specific leak or flow from any portion of the Common Elements and the Association has failed to exercise due care to correct the leak or flow within a reasonable time thereafter as determined by the Board of Directors. The Association will not be liable to any Owner, or any Owner's Resident, guest or family for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this article where the damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities. No diminution or abatement of assessments will be claimed or allowed by reason of any alleged failure of the Association to take some action or perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the Association's responsibility, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 6.5 Additional Association Maintenance.

(a) At the Association's sole expense, without need for a membership vote, and without the consent of any affected Owner, the Association, on behalf of the Owner can relocate any portion of the heating, plumbing, ventilating, exhaust or electrical system serving a particular Unit, provided that after relocation, the system serving the Unit functions at least as well and at no greater cost to the Owner as existed prior to the relocation.

(b) The Association has the right, with the approval of 67% of those Members voting in person or by proxy at a meeting called for such purpose, to assume additional maintenance, repair, or replacement responsibilities on any limited basis it determines, as a Common Expense. By way of example, with the requisite approval the Association may undertake a Community-wide window replacement without assuming the future responsibility for window maintenance, repair, and replacement.

Section 6.6 Mold and/or Mildew. Mold and/or mildew can grow in any portion of the Community that is exposed to a regular source of moisture. Therefore, the Association and the Owners agree to: (a) promptly investigate to determine the source of the problem and the extent of the condition upon the discovery of any water leaks; (b) repair any leaks in their respective areas of maintenance responsibility in a good and workmanlike condition; (c) ensure that any building material which has absorbed water or moisture as a result of a water leak and has not been completely dried as part of the repair of the water or moisture damage is removed and replaced; and (d) clean any area where mold and/or mildew appears with industry-accepted product designed to inhibit the growth of mold and/or mildew, including other Units and/or Common Elements.

Section 6.7 Radon. The U.S. Environmental Protection Agency ("EPA") states that exposure to elevated levels of radon gas can be injurious. Any test to measure the level of radon gas can only show the level at a particular time under the circumstances occurring at the time of testing. Owners may wish to test for the presence of radon gas and to purchase or install devices, at the Owners' sole expense, which may be recommended by qualified radon specialists. If the devices require exterior modifications to the Unit, prior written consent of the Association in accordance with the terms of this Declaration is required. Each Owner agrees to hold the Association harmless from any claim or liability with respect to radon gas and related matters.

Section 6.8 Inspection, Maintenance, Repair, and Replacement of High-Risk Components.

(a) The Association may, from time to time, determine that certain portions of the Units required to be maintained by the Owners, or certain objects or appliances within the Unit, pose a particular risk of damage to other Units and/or the Common Elements if they are not properly inspected, maintained, repaired or replaced. By way of example, but not limitation, these portions, objects or appliances might include smoke detectors, water heaters, washing machine hoses, boilers, dishwashers, ice makes, toilets, and shower appurtenances. Those items determined by the Association to pose a particular risk are referred to herein as "High-Risk Components."

(b) At the same time that it designates a High-Risk Component, or at a later time, the Association may require one or more of the following with regard to the High-Risk Component: (i) that it be replaced or repaired at specified intervals, or with reference to manufacturers' warranties, whether or not the individual component is deteriorated or defective; (ii) that it be replaced or repaired with items or components meeting particular standards or specifications established by the Association; (iii) that when it is repaired or replaced, the installation include additional components or installments the Association specifies; (iv) that it be replaced or repaired by contractors having particular licenses, training or professional certification or by contractors approved by the Association; and (v) if the replacement or repair is completed by an Owner, that it be inspected by a Person designated by the Association.

(c) The imposition of requirements by the Association in this provision will not relieve an Owner of his obligations regarding High-Risk Components, including, but not limited to, the obligation to perform and pay for all maintenance, repairs, and replacement thereof.

(d) If any Owner fails or refuses to maintain, repair or replace a High-Risk Component in a timely manner and/or in accordance with the manufacturer requirements and any others established by the Association, the Association may, in addition to all other rights and powers granted to it pursuant to the Governing Documents, enter the Unit for the purpose of inspecting, repairing, maintaining, or replacing the High-Risk Component, as the case may be, and charge all costs of doing so back to the Owner as a specific unit assessment.

Section 6.9 Failure to Maintain. If the Association determines that any Owner has failed or refused to discharge properly his obligation with regard to the maintenance, repair, or replacement of items for which he is responsible hereunder, then the Owner will be liable for any resulting damage for such failure or refusal. The Association may give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair, or replacement at the Owner's sole cost and expense. The notice will set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Association.

Unless the Association determines that an emergency exists, the Owner will have ten days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within this time period, to commence replacement or repair within ten days. If the Association determines that: (a) an emergency exists, or (b) that an Owner has not complied with the demand given by the Association, then the Association may perform the maintenance, repair, or replacement at the Owner's sole cost and expense, and the costs will be added to and become a part of the assessment to which the Owner is subject, will become the personal obligation of the Owner and a lien against the Unit, and will be collected as provided in this Declaration for the collection of assessments.

ARTICLE 7. COVENANTS AND USE RESTRICTIONS

Section 7.1 Owner Responsibility for Compliance. Each Owner is responsible for ensuring that themselves and the Owner's family, guests, and Residents comply with all provisions of the Governing Documents. Each Owner and Resident will always endeavor to observe and promote the cooperative purposes for which the Association was established. In addition to any rights the Association may have against the Owner's family, guests, or Residents as a result of the Person's violation of the Governing Documents, the Association may take action under this Declaration against the Owner as if the Owner committed the violation in conjunction with the Owner's family, guests, or Residents.

Section 7.2 Use of Units.

(a) **Residential /Business Use.** Each Unit will be used for residential purposes only. Unless otherwise expressly authorized by the Act and subject to its terms, no trade or business of any kind may be conducted in or from a Unit or any part of the Community, except that the Owner, residing in the Unit, or Resident may conduct ancillary business activities within the Unit as authorized by the Association so long as the business activity:

- (i) is not apparent or detectable by sight, sound, or smell from outside of the Unit;
- (ii) does not involve visitation of the Unit by employees, clients, customers, suppliers or other business invitees;
- (iii) is legal and conforms to all zoning requirements for the Community;

(iv) does not increase traffic in the Community in excess of what would normally be expected for residential Units in the Community without business activity (other than by a reasonable number of deliveries by couriers, express mail carriers, parcel delivery services and other similar delivery services);

(v) does not increase the insurance premium paid by the Association or otherwise negatively affect the Association's ability to obtain insurance coverage;

(vi) is consistent with the Community's residential character, and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Residents, as determined by the Association; and

(vii) does not result in a materially greater use of Common Element facilities or Association services.

The terms "business" and "trade," as used in this section, have their ordinary, generally accepted meanings, and include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) the activity is engaged in full or part-time; (ii) the activity is intended to or does generate a profit; or (iii) a license is required for the activity.

(b) Occupancy. If an Owner is a corporation, partnership, trust, vacation club, or other legal entity which is not a natural person, the entity will designate in writing to the Association the name(s) of the natural person(s) who will occupy the Unit.

Section 7.3 Leasing. The Community is intended to be an owner-occupied community. However, any Owner has the right to lease or allow occupancy of a Unit through the Association's rental management program or other entity as may be designated by the Association, or acting as their own agent subject to the restrictions of this Declaration, any other restrictions of record, and the following:

(a) "Leasing" or "Renting" for the purposes of this Declaration is defined as regular occupancy of a Unit by any Person other than the Owner and the Owner's household members, with or without consideration. For the purposes of this Declaration, occupancy by not more than one roommate of an Owner who occupies the Unit as his primary residence does not constitute leasing under this Declaration.

(b) Leases will be for or of the entire Unit. There will be no subleasing of Units or assignment of leases without prior written Association approval.

(c) All leases or rental agreements will be in writing and will provide that the leases or rental agreements are subject to all terms of the Governing Documents. The Association has the authority to require a particular lease form or addendum to implement the provisions of this section. Owners are required to provide Residents with copies of the current Declaration and any Rules and Regulations of the Association.

(d) Each Owner who leases his Unit shall provide the Association a copy of the current lease (rental amount may be redacted) and tenant information, including the names of all Residents, and vehicle descriptions, including license plate numbers.

(e) Each Owner is strongly encouraged to conduct full background checks, including credit and criminal reports in accordance with state and federal law, for each lease applicant.

(f) All leases and rental agreements will state that the failure of the Resident or their guests to comply with the terms of the Governing Documents is a default of the lease or rental agreement and this Declaration.

(g) Short-term rentals of less than 30 days of Units are prohibited unless the Unit is rented through the Association's rental management program or by an owner acting as their own agent in accordance with local laws and regulations. Third party rental agents or management companies are not permitted. Such short-term rentals shall be subject to the Association's Unit Lodging Rules and Regulations.

(h) All leases and rental agreements are subject to the Association's right to remove and/or evict the Resident for failure to comply with the terms of the Governing Documents. If the Association requests that the Owner evict the Resident based on the terms of this Declaration, and the Owner fails to commence action within 30 days of the date of the Association's request and notice, the Association may commence eviction proceedings. Upon the Owner's failure to comply with the Association's request to evict, the Owner delegates and assigns to the Association the power and authority to evict the Resident as attorney-in-fact on behalf of and for the benefit of the Owner. If the Association evicts the Resident, any costs, including but not limited to reasonable attorney fees actually incurred and court costs associated with the eviction, will be an assessment and lien against the Unit.

(i) All Owners who reside at a place other than the Unit will provide to the Association an address, email address, and phone number(s) where the Owner can be reached in the case of emergency or other Association business. The Owner is solely responsible to keep this information current.

(j) If a Unit is leased or occupied in violation of this section or if the Owner or Resident violates the Governing Documents, the Association will be authorized, in addition to all other available remedies, to levy fines against the Resident and/or Owner, and to suspend all voting and/or recreational facilities use privileges of the Owner.

Section 7.4 Right of First Offer. If any Owner wishes to sell its Unit, the other Owners of Units within the same building shall have the exclusive right of first offer and shall be given written notice thereof by the Association via email. Such Owners shall have the right to purchase such Unit upon the terms and conditions stated in said offer; provided, however, that written notice of such election to purchase and the required down payment is given to the Owner during the 14-calendar day period immediately following delivery of the notice. The right to purchase shall inure to the Owner first responding.

The 14-day period following delivery begins the day the Association first sends notice of the offer to the other Owners in the same building, rather than when the Association is first contacted by the seller. If the 14-day period ends on a Saturday, Sunday or bank holiday the expiration date shall become the next business day. The Association's role in the transaction is for notice purposes only.

If any Owner attempts to sell its Unit without affording the other Owners their right of first offer, such sale shall be null and void and shall confer no possessory rights, title or interest whatsoever upon the intended purchaser. Failure of an Owner to exercise the right to purchase shall not constitute or be deemed a waiver of such right to purchase in the future.

Section 7.5 Restrictions on Exterior Building Changes, Structural Alterations, Improvements, Penetrations, and Cut-Outs. No Owner may make any change to the building's exterior or make structural alterations to any Unit or to any portion of the Common Elements or Limited Common Elements without the Association's prior written approval as provided for in this Declaration. This restriction extends to and includes a restriction on penetrations or cutouts into Common Elements walls, Limited Common Elements, or other portions of the Community.

Section 7.6 Use of Common Elements. There will be no obstruction of the Common Elements, nor will anything be kept, parked, or stored on or removed from any part of the Common Elements without the Association's prior written consent, except as specifically provided for in the Governing Documents. The Association will not be liable to the Owner or his Residents, guests, family members and invitees, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. Use of Common Elements by and through the Association's Rules and Regulations.

Section 7.7 Use of Limited Common Elements and Patios and Decks. Except as otherwise provided, the use of the Limited Common Elements is restricted exclusively to the Owner of the Unit to which the Limited Common Elements are assigned, and the Owner's Residents, guests, family members and invitees. The Limited Common Elements are reserved for exclusive use but will not be construed or interpreted to be separate and apart from the Common Elements in general. The restrictions applicable to the Common Elements also apply to the Limited Common Elements.

Objects permitted on decks and patios on a seasonal and/or year-round basis may be specified in the Association's Rules and Regulations.

Section 7.8 Compliance with Laws and Insurance Requirements. Nothing may be done or kept in the Community, or any part thereof, that would increase the rate of insurance on the Community or any Unit or part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other validly imposed requirements of any governmental body, or which would increase the Common Expenses.

Section 7.9 Prohibition of Nuisance. The Units in the Community are built in close proximity to one another, resulting in the sharing of common walls floors and ceilings. As a result, noise and vibration may be detectable between Units or between Units and the Common Elements. Therefore, an Owner or Resident may not conduct activities within a Unit or use a Unit in a manner that unreasonably interferes with or causes unreasonable disruption to another Owner's or Resident's use and quiet enjoyment of the Unit.

Noxious, destructive, offensive, or unsanitary activity may not be carried on within the Community. No Owner or Resident may use or allow the use of the Unit or any portion of the Community at any time, in any way, which may endanger persons or property, unreasonably annoy, disturb or cause embarrassment or discomfort to other Owners or Residents, or constitute a nuisance.

The intention of this provision is to grant the Association and aggrieved Owners and Residents a right of redress for actions, activities or conduct which unreasonably disturbs or impairs the peaceful and safe enjoyment by Owners and Residents. Nothing in this section will be construed to affect the rights of an aggrieved Owner or Resident to proceed individually against a violator hereof for relief from interference with his property or personal rights, and the Board may, in its discretion, require aggrieved individuals to seek redress personally for interference with their rights before the Association intervenes and commences enforcement action hereunder. No claim for any loss, damage or otherwise will exist by an aggrieved Owner or Resident against the Association for failure to enforce the provisions hereof if the aggrieved Owner or Resident has not personally pursued all available remedies against the violator for redress provided under Colorado law.

Specific unauthorized and unreasonable annoyances or disturbances include, but are not limited to, the following:

(a) fighting, screaming, shouting, excessively loud talking, or playing of music or television, raucous behavior or insobriety either outside a Unit at any time or within a Unit if the conduct can be heard in another Unit;

(b) the use of any alarm, equipment, or device, mechanical or otherwise, which creates or produces excessively loud sounds or any vibrations either outside a Unit at any time or within a Unit if such sounds can be heard or vibrations felt in another Unit; except for a security alarm that automatically shuts off after 15 minutes;

(c) threatening or intimidating conduct towards any Owner, Resident, guest or pet in the Community;

(d) conduct which creates any danger or risk of injury to others or of damage to property in the Community;

(e) excessively loud activities either outside a Unit at any time or within a Unit if the conduct can be heard in another Unit;

(f) conduct which creates any noxious or offensive odor if the odors can be detected in another Unit;

(g) incessant or excessive pet noises, including dog barking, if the conduct can be heard in another Unit;

(h) construction or similar activities in a Unit that can be heard in another Unit between the hours as may be set forth in the Association's Rules and Regulations;

(i) using or allowing the use of the Unit or the Common Elements in any manner which creates noise which can be heard in another Unit that will unreasonably interfere with the rights, comfort or convenience of any other Owner, members of his family, guests, or Residents, during hours as may be set forth in the Association's Rules and Regulations; or

(j) similar action or activity outside a Unit or which occurs inside a Unit, but which interferes with the peaceful use and enjoyment of another Unit or the Common Elements by any other Owner, members of his family, guests, invitees, or Residents.

Section 7.10 No Damage or Waste. No Owner, Resident, or agent of either may do any work which would jeopardize the soundness or safety of any structure within the Community or would impair any easement or other interest in the Community, without prior written consent of all Association Members and their first Mortgage Holders.

No damage to or waste of any portion of the Common Elements will be permitted by any Owner or any Resident, or the Owner's or Resident's guest, family member or invitee. Each Owner and Resident will indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by the Owner or Resident, or the Owner's or Resident's guest, family member or invitee.

Section 7.11 Pets.

(a) An Owner may have a reasonable number of generally recognized household pets in the Unit, as determined in the Board's discretion, and as set forth in the Association's Rules and Regulations.

(b) No animals determined in the Board's sole discretion to be dangerous animals may be brought into or kept in the Community at any time. Following notice and an opportunity for a hearing, the Association may require that any pet which, in its opinion, endangers the health of any Owner or Resident or creates a nuisance or unreasonable disturbance, be permanently removed from the Community upon ten days written notice.

(c) Any Owner or Resident who keeps or maintains any pet within the Community is deemed to have agreed to indemnify and hold the Association, its directors, officers, and agents free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining the pet within the Community.

Section 7.12 Vehicles and Parking.

(a) General. Parking is subject to the Rules and Regulations adopted by the Board.

(b) Prohibited Vehicles. Oversized vehicles, motor homes, recreation vehicles, campers, trailers, boats, all-terrain vehicles, and snowmobiles are not permitted, unless an exception applies as may be contained in the Association's Rules and Regulations. No unlicensed vehicles may be parked on the Common Elements. No stored, abandoned, inoperable, or unlicensed vehicles of any kind may be stored or parked on the Common Elements, which is defined as any passenger car, truck, motorcycle, boat, trailer, camper house trailer, self-contained motorized recreational vehicle, or other similar vehicle, which for a period of two days or longer, does not have an operable propulsion system installed therein, is unlicensed, or has one or more flat tires or has another condition preventing the regular and normal operation and movement of the vehicle.

(c) Enforcement. Parking enforcement may occur consistent with the Association's enforcement policy. If a vehicle located in the Community is blocking a fire lane or otherwise creates a hazardous condition, the vehicle may be towed immediately, without notice, at the vehicle owner's expense in accordance with governmental regulations. If a vehicle is towed in accordance with this section, neither the Association nor any director, officer or agent of the Association will be liable to any Person for any claim of damage as a result of the towing. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow.

Section 7.13 Vehicle Repair. Maintenance, repair, rebuilding, dismantling, repainting, or any kind of servicing or washing of vehicles, trailers or boats may not be performed or conducted in the Community.

Section 7.14 Heating of Units in Colder Months. To prevent water pipes from breaking during colder months of the year resulting in damage to the Community, increased Common Expenses, and increased insurance premiums or cancellation of insurance policies due to numerous damage claims, the thermostats within the Units must be maintained with the heat in an "on" position and at a minimum temperature setting of 55° Fahrenheit (except during power failures or periods when heating equipment is being repaired) whenever the temperature is forecasted to or does reach 32° Fahrenheit or below. Owners and Residents must take all reasonable steps on a timely basis to keep heating equipment, including, but not limited to, the thermostat, in good working order and repair. At any time during the colder months when the heating equipment is not working properly, the Owner or Resident must immediately inform the Association of the equipment's failure and of the time needed to repair the equipment. The Association may fine the Owner in addition to any other remedies of the Association, including accessing the Unit to perform repairs as needed at the expense of the Owner.

Section 7.15 Signs. Except as may be required by state law or legal proceedings, no signs, advertising posters, political placards or billboards of any kind may be erected, placed, or permitted to remain in the Community without the Association's prior written consent. The Association has the right to erect reasonable and appropriate signs on its behalf and to regulate signs in its Rules and Regulations.

Section 7.16 Trash and Garbage. All rubbish, trash, and garbage must be regularly removed from the Unit and will not be allowed to accumulate therein. Garbage or trash must not be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise. Trash and garbage must be disposed of in appropriate sealed bags and either placed in the dumpsters or proper receptacles designated by the Association for collection or removed from the Community. Recycling may be regulated by the Association as set forth in its Rules and Regulations.

Section 7.17 Unightly or Unkempt Conditions. Activities which cause disorderly, unsightly, or unkempt conditions must not be pursued or undertaken on any part of the Common Elements.

Section 7.18 Antennas and Satellite Dishes. Satellite dishes, antennae or other devices for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation will not be erected, used or maintained by Owners or Residents on any portion of the Common Elements, including the Limited Common Elements except as allowed by federal law. However, the Association has the right to erect, construct, and maintain these devices on the General Common Elements.

Section 7.19 Grilling. The use of outdoor grills in any portion of the Community is governed by applicable state laws and local ordinances having jurisdiction over the Community, and as otherwise specified in the Association's Rules and Regulations.

Section 7.20 Personal Property on Common Elements. Personal property (other than vehicles as otherwise permitted in this Declaration) may not be stored, kept, or allowed to remain upon any portion of the Common Elements, other than on a Limited Common Element, without prior written Association permission. If the Association determines that a violation exists, then the Association shall provide notice to the Owner on the front door of the property owner's Unit, if known, and the Association may remove and either discard or store the personal property in a location which the Association or its agent may determine. Neither the Association nor its agent has any obligation to return, replace, or reimburse the owner of the property.

The Association, in its discretion, may determine that an emergency situation exists and may exercise its removal rights hereunder without prior notice to the property owner. In this case, the Association will give the property owner, if known, notice of the removal of the property and the location of the property after the property is removed.

Neither the Association nor its directors, officers or agent will be liable to an Owner or Resident, guest, or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements or for any claim of damage resulting from the removal activity in accordance with this section. The Association may elect to impose fines or use other available remedies, rather than exercise its authority to remove property hereunder.

Section 7.21 Restriction on Marijuana Growth, and Distribution. Except for the growth and use of medical marijuana for personal use by the Resident as permitted by Colorado law, no Owner, Resident, or other Person may use the Unit or any portion of the Unit for the purpose of growing or distributing marijuana. The restrictions in this section may be further clarified by the Board through rules and regulations. Owners will be responsible for any costs or damages resulting from a violation of this section.

Section 7.22 Rules and Regulations. The Association may adopt, amend, and repeal Rules and Regulations concerning and governing Owners' use of the Units, Common Elements, and Limited Common Elements in furtherance of the provisions of this Declaration.

Section 7.23 Use of the words Racquet Club , Racquet Club Condominiums, and Racquet Club Owners Association. Owners or Residents will not use the words Racquet Club, Racquet Club Condominiums, Racquet Club Owners Association, Vail Racquet Club, Vail Racquet Club Mountain Resort, Vail Racquet Club Townhomes and Condominiums, or the logo, webpages, or marketing materials of the Community or Association, if any, or any derivative thereof, use of which is likely to cause confusion, mistake or deception, without the prior written consent of the Association.

ARTICLE 8.

ARCHITECTURAL CONTROLS

Section 8.1 Architectural Covenants. Except as otherwise provided herein, by the Rules and Regulations or by law, no Owner, Resident, or any other Person may, without first obtaining the Association's written approval:

- (a) make any changes which may affect the structural integrity of any building or affect the utilities, as more fully described in this article;
- (b) make any encroachment onto the Common Elements or Limited Common Elements; or
- (c) make any exterior change, alteration, or construction (including painting and landscaping).

Section 8.2 Alteration of Units. Subject to the provisions of the Act and this Declaration, alterations to the interiors of Units, relocation of the boundaries between adjoining Units, and subdivision of Units are subject to the following restrictions:

(a) Alterations to the Interiors of the Units.

(i) Changes Affecting Common Elements and Load Bearing Portions of Units. All Owners desiring to make any interior modifications or alterations to a Unit affecting the Common Elements, structure, load bearing portions of a Unit, or non-load bearing interior or partition walls must make application to the Association as described in this article in order for the Association to make the determination of whether its approval is required. No Owner or Resident may make any alteration within a Unit which involves connecting to Common Element pipes, lines, conduits, electric panel, and/or other apparatus for access to common utilities without prior written Association approval. No Owner or Resident will make any interior modifications to or place an excessive load on any structural or load bearing portions of a Unit without first obtaining the prior written Association approval. Approval will not be granted unless the Owner has presented to the Association a report or drawing prepared by a licensed structural engineer showing that compensating measures will be taken to ensure the structural integrity of the Unit and the Community. All building code requirements must be complied with and necessary permits and approvals secured for any modifications.

(ii) Replacing Carpet with Tile or Hardwood Floors. No Owner, Resident, or any other Person may replace carpeting with a tile, marble, vinyl, hardwood floor, or other hard surfaced flooring material, on the interior floor of a Unit which is located immediately above another Unit without first obtaining written approval of the Association and complying with any applicable Rules and Regulations. Among other factors, the Association may consider whether the change will cause noise to any Unit below which will exceed the average noise level in Units below Units with carpeted floors and that the weight of the proposed flooring is appropriate and will not cause problems to the structure or subflooring.

(b) Owners may, upon written approval from the Association, after acquiring an adjoining Unit or an adjoining part of an adjoining Unit, remove or alter any intervening partition or create apertures or doorways therein, even if the partition in whole or in part is a Common Element, all as provided for in this Section, provided the alterations and modifications can and do not impair the structural integrity, electrical systems, mechanical systems or utilities or lessen the support of any portion of the Community.

(i) Agreement Required. The Owner's written agreement (in the form approved by the Association) is required, providing for any or all of the following:

(A) for the Owner to be responsible, now and/or in the future, for any structural deficiencies or problems, electrical deficiencies or problems, mechanical structural integrity, electrical systems, utility or mechanical deficiencies or problems or problems associated with a lessening of support of any portion of the Community, or for violations of any of the provisions of this Section, all as may reasonably be determined by the Association;

(B) for the Owner to be responsible for ongoing maintenance, repair, replacement and improvement of any or all of the proposed additions/modifications of the Owner. The Association may require Owners to be responsible for all or some of the maintenance, repair, replacement and improvement of the proposed modifications;

(C) for the Owner's payment of the fees and costs of the Association, together with a deposit against fees and costs which the Association will incur in reviewing and effectuating the application, in an amount reasonably estimated by the Association, in advance of any billing for costs and expenses of the Association;

(D) for reasonable advance notice by the Owner for the work to be performed, from the Owner or from the Owner's contractor; and

(E) the satisfaction of all conditions as may be reasonably imposed by the Association.

Section 8.3 Architectural Standards. Interpretation, application, and enforcement of the architectural standards may vary from time to time as determined by the Association. The standard for approval of improvements includes, but is limited to: (a) aesthetic consideration; (b) materials to be used; (c) compliance with the community-wide standard; this Declaration, or the design guidelines which may be adopted by the Association, if any; (d) harmony with the external design of the existing building, Units and structures, and the location in relation to surrounding structures and topography; (e) visibility and location of the proposed modification in the Community; and (f) any other matter the Committee deems to be relevant or appropriate.

Section 8.4 Authority of Association to Engage Consultants. The Association has the authority to select and engage professional consultants to assist in reviewing applications and/or to inspect any of the work performed. The costs of any consultants are to be paid by the submitting Owner whether or not the application is approved. Prior to incurring consultant costs, the Association will notify the Owner of its belief that review and/or inspections by consultations are necessary. The Owner will then have the right to withdraw the submission. The Association may require payment of costs prior to approval.

Section 8.5 Encroachments onto Common Elements. The Association may provide written consent to allow Owners to make encroachments onto the Common Elements, as it deems acceptable. Any unauthorized exterior change, alteration, or construction (including landscaping) upon the Common Elements is at the Owner's sole cost and expense. The Association may require that any unapproved change, alteration, or construction be removed or that it remain on the Common Elements or Limited Common Elements without reimbursement to the Owner or Resident for any expense he may have incurred in making the change, alteration, or construction.

(a) **Conditions of Approval.** As a condition of approval for a requested architectural change, modification, addition, or alteration, an Owner, on behalf of himself and his successors-in-interest, assumes all responsibilities for maintenance, repair, replacement and insurance of the change, modification, addition, or alteration, unless the Association otherwise agrees in writing. As a further condition of approval, an Owner may be required to execute an agreement setting forth the conditions of approval may be recorded in the records of the Eagle County real property records.

Section 8.6 Required Action by the Association. The Association is the sole arbiter of the application and may withhold approval for any reason, including purely aesthetic considerations, provided the Association's decision may not be arbitrary or capricious. Applications for approval of architectural modifications must be in writing and provide any information as the Association reasonably requires. The Association will endeavor to review the application at the next Board meeting and to issue a written decision on the application within forty-five days thereafter. If the Association fails to issue a written disapproval of the application within such timeframe, the application shall be deemed denied. In no event shall an Owner construct or maintain any structure or improvement that otherwise violates the Declaration, the design guidelines, or the Rules and Regulations, or any applicable governmental requirements or laws.

Section 8.7 Commencement and Completion of Construction. All changes, modifications and improvements approved by the Association must be commenced within one year from the date of approval unless the Association otherwise agrees. If not commenced within this time, then approval will be deemed revoked, unless the Association gives a written extension for commencing the work. All work approved by the Association must be completed in its entirety within two years from the date of commencement, unless the Association otherwise agrees in writing. All approved changes, modifications, and improvements must be completed in their entirety.

Section 8.8 Limitation of Liability. Neither the Association nor its directors, officers, committee members, management, or agents will bear any responsibility for the design, quality, structural integrity or soundness of approved construction or modifications, nor for compliance with building codes, zoning regulations, and other governmental requirements. The Association, its directors, officers, committee members, and agents are not liable for any injury, damages, or loss arising out of the manner, design, or quality of approved construction on or to modifications to any Unit. No lawsuit, action, or claim may be brought against any of the foregoing for any injury, damage, or loss.

Section 8.9 No Waiver of Future Approvals. The Association's approval of any proposals, plans and specifications for any work done or proposed, or in connection with any other matter requiring the Association's approval, is not a waiver of any right to withhold approval as to any similar proposals, plans, and specifications.

Section 8.10 Enforcement. The Association is entitled to stop any construction that does not conform to the approved plans. The Association is further entitled to stop any construction if the Owner fails to obtain proper permits, submit plans and specifications and/or obtain written approval prior to commencing construction. The Association may require any Owner to remove any improvement or modification, whether partial or completed, and restore the property to its prior condition, if the Owner fails to obtain prior written approval or constructs in a manner that does not conform to the approved plans. These remedies are in addition to all other remedies available, including the authority to levy a fine.

ARTICLE 9. INSURANCE

Section 9.1 Association's Property Insurance. The Association will obtain and maintain at all times, as a Common Expense, property insurance as required in this Declaration. The Association will use reasonable efforts to secure a blanket hazard insurance policy providing "special form" coverage in an amount equal to full replacement cost, before application of deductibles. If "special form" coverage is not reasonably available at reasonable cost, the Association will obtain, at a minimum, broad form covered causes of loss, in like amounts.

The Association's insurance will cover the Common Elements. As to the Units, the Association's insurance policy will be a bare walls policy that will rebuild the building structures. The type of insurance coverage may be changed to single entity or all-in by Board resolution.

All property insurance purchased by the Association will run to the benefit of the Association, the Board of Directors, officers, all agents and employees of the Association, the Owners and their respective Mortgage Holders, and all other Persons entitled to occupy any Unit as their interests may appear.

All insurance coverage for the Association will be written in the name of the Association as first named insured and each of the Owners as additional insureds. The Association will periodically review the insurance to determine if the policy in force is adequate to meet its needs.

Section 9.2 Other Association Insurance. In addition to the insurance required above, the Association will obtain as a Common Expense:

- (a) Workers' compensation insurance if and to the extent necessary to meet the requirements of law;
- (b) General liability insurance in amounts no less than \$1,000,000.00, and directors' and officers' liability insurance in such amounts as the Board may determine. The general liability insurance will contain a cross-liability endorsement;
- (c) Fidelity insurance, if reasonably available, covering officers, directors, employees, and other persons who handle or are responsible for handling Association funds in an amount as required by law, or if no such requirements, consistent with the Board of Directors' best business judgment; and
- (d) Equipment breakdown coverage endorsement with a minimum liability per accident equal to the lesser of \$2 million or the insurable value of the building housing the boiler or machinery. In the alternative, the Association may purchase separate stand-alone equipment breakdown coverage.
- (e) Other insurance as the Board of Directors may determine to be necessary or desirable.

Section 9.3 Standards for Association Policies.

- (a) The Association will use reasonable efforts to obtain policies that provide the following:
 - (i) each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;
 - (ii) the insurer's waiver of subrogation of claims against directors, officers, the managing agent, the individual Owners and their respective household members;
 - (iii) no act or omission by any Owner not under the Association's control will void the policy or be a condition to recovery under the policy;
 - (iv) ordinance or law coverage, demolition cost coverage and increased cost of construction coverage;
 - (v) any "other insurance" clause contained in the master policy will expressly exclude individual Owners' policies from its operation;
 - (vi) the master policy may not be canceled, substantially modified, or subjected to non-renewal without at least 30 days prior notice in writing to the Association and all Mortgage Holders of Units, except in instances of nonpayment of premiums, which will require at least ten days prior written notice;
 - (vii) the casualty insurance may not contain a "co-insurance" provision;

(viii) all insurance policies of the Association are primary over other insurance in the Owner's name;

(ix) an inflation guard endorsement.

(b) All insurance policies will be written with a company licensed to do business in Colorado. The company will provide insurance certificates to each Owner and Mortgage Holder upon request. The Association's Board of Directors has the exclusive authority to adjust losses under the Association's policies. However, no Mortgage Holder having an interest in any losses may be prohibited from participating in the settlement negotiations, if any.

(c) The Association's insurance is not required to include liability insurance for individual Owners for liability arising within the Unit.

Section 9.4 Insurance Deductibles. Unless otherwise specified in written guidelines or a written Board resolution, any required deductible on the Association's policy will be a maintenance expense to be paid by the person(s) who would be responsible for the repair or maintenance of the loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the Board may equitably apportion the cost of the deductible among the parties suffering loss in proportion to the total cost of repair. However, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Owner will be responsible for paying the deductible pertaining to his Unit, if any. If any Owner(s) fail to pay the deductible when required under this Section, then the Association may pay the deductible and assess the cost to the Owner pursuant to Article 5 of this Declaration.

Section 9.5 Owners' Insurance: Every Owner is obligated to obtain and maintain at all times liability for the interior of the Unit, and property insurance covering those portions of the Unit to the extent not insured by the Association's policies, including, but not limited to, finished surfaces (of walls, floors and ceilings), flooring, cabinetry, fixtures, and appliances, betterments and improvements. The Association has no liability for an Owner's failure to maintain required insurance. Upon request, the Owner will furnish a copy of such insurance policies to the Association.

Section 9.6 Owner's Right to Review Association Insurance Policies. To the extent available, the Association will make summaries of its insurance guidelines and policies available for review by Owners to assess their personal insurance needs. Each Owner has the right to obtain additional coverage at his own expense.

Section 9.7 Source and Allocation of Proceeds. If the Association's insurance proceeds are not sufficient to defray the costs of reconstruction and repair (due to failure of the Association to maintain coverage as provided in this Declaration, or due to the insurance policy's deductible) the additional cost will be a Common Expense. If, for any other reason, the proceeds of insurance are not sufficient to defray the costs of reconstruction and repair, as determined by the Association, the additional costs will be assessed against the Owners of the Unit(s) damaged in proportion to the damage to the Units or against all Owners, in the case of insufficient funds to cover damage to the Common Elements. These assessments are not considered a special assessment as provided in this Declaration. If there are surplus funds after repair and reconstruction is completed, those funds will be common funds of the Association to be used as directed by the Association.

Section 9.8 Repair and Reconstruction Requirements. In the event of damage to or destruction of all or any part of the Community as a result of fire or other casualty, the Association will arrange for and supervise the prompt repair and restoration of the structure unless Owners holding at least 67% of the total Association vote, including the Owner(s) of any damaged Unit(s) and Mortgage Holders that represent at least 51% of the votes of Units that are subject to mortgages held by Mortgage Holders, vote not to proceed with the reconstruction and repair of the structure. In the event of substantial damage or destruction, each first Mortgage Holder will be entitled to written notice of the

damage, and nothing in these documents will be construed to afford a priority to any Owner with respect to the distribution of proceeds to any such Unit.

Section 9.9 Construction Fund. The net insurance proceeds collected on account of a casualty and the funds collected by the Association from assessments against Owners on account of the casualty will constitute a construction fund. The Association will disburse the funds to pay the cost of reconstruction and repair by way of appropriate progress payments to the contractor(s), supplier(s), and personnel performing the work or supplying materials or services.

ARTICLE 10. MORTGAGE HOLDER'S RIGHTS

Section 10.1 Abandonment or Termination. Unless first Mortgage Holders representing at least 51% of the votes of the Units subject to a first Mortgage and Owners holding at least 67% of the total Association vote give their consent, the Association or the membership will not by act or omission seek to abandon or terminate the Community (except in the case of substantial destruction, as governed by this Declaration).

Section 10.2 Liability for Assessments. Where the Mortgage Holder of a first Mortgage of record, or other purchaser of a Unit obtains title pursuant to judicial or non-judicial foreclosure of the Mortgage, it is not liable, nor will the Unit be subject to a lien, for the share of the Common Expenses or assessments by the Association chargeable to the Unit which became due prior to acquisition of title except as provided in the Act. The acquirer is responsible for all charges accruing subsequent to the passage of title, including, but not limited to, all charges for the month in which title is passed. Any unpaid share of Common Expenses or assessments is deemed to be Common Expenses collectible from Owners of all Units, including the acquirer, its successors, and assigns.

Section 10.3 Notice to Mortgage Holders. Upon written request to the Association, identifying the name and address of the holder and the Unit number or address, any first Mortgage Holder will be entitled to timely written notice of:

- (a) any condemnation loss or any casualty loss which affects a material portion of the Community or any Unit on which there is a first Mortgage held by the Mortgage Holder;
- (b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first Mortgage held by the Mortgage Holder which remains unsatisfied for a period of 60 days, and any default in the performance by an individual Owner of any other obligation under the Governing Documents which is not cured within 60 days;
- (c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (d) any proposed action which would require the consent of a specified percentage of Mortgage Holders, as specified herein.

Section 10.4 No Priority. No provision of this Declaration or of the Bylaws gives or will be construed as giving any Owner or other party priority over any rights of the first Mortgage Holder in the case of distribution to an Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements.

Section 10.5 Notice to Association. Upon request, each Owner is obligated to furnish to the Association the name and address of any first Mortgage Holder encumbering the Owner's Unit.

Section 10.6 Failure of Mortgage Holder to Respond. Any Mortgage Holder who receives a written request from the Association to respond to any action is deemed to have approved the action if the Association does not receive a written response from the Mortgage Holder within 60 days of the date

of the Association's request, provided the request is delivered to the Mortgage Holder by certified or registered mail, return receipt requested.

Section 10.7 Construction of this Article. Nothing contained in this article will be construed to reduce the percentage vote that must otherwise be obtained under the Governing Documents or Colorado law for any of the actions set forth in this article.

ARTICLE 11. AUTHORITY AND ENFORCEMENT

Section 11.1 Compliance With and Enforcement of Governing Documents.

(a) **Compliance Required.** Every Owner and Resident will comply with the applicable provisions of the Governing Documents. Any aggrieved Owner has the right to take action to enforce the terms of the Governing Documents against another Owner or Resident.

(b) **Association Remedies.** The Association may enforce all applicable provisions of the Governing Documents and may impose sanctions for their violation, subject to the provisions of its enforcement policy. Sanctions may include, without limitation:

(i) imposing reasonable monetary fines, after notice and opportunity for a hearing, which will be a lien upon the violator's Unit;

(ii) suspending the right to vote;

(iii) suspending the Owner's rights to use the Club and recreational facilities (as well as the rights of the Owner's family, guests and Residents to use the recreational facilities;

(iv) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 60 days delinquent in paying any Assessment or other charge owed to the Association;

(v) exercising self-help or action to abate any violation of the Governing Documents in a non-emergency situation, subject to any requirements as may be set forth in this Declaration, including those related to maintenance, repair or replacement;

(vi) requiring an Owner, at the Owner's expense, to remove any structure or improvement in the Unit or the Common Elements in violation of the Governing Documents and to restore the Unit or Common Elements to its previous condition and, upon the Owner's failure to do so, the Association has the right to enter the Unit or Common Elements, remove the violation and restore the Unit or Common Elements to substantially the same condition as previously existed and any action is not deemed a trespass;

(vii) recording in the real property records a notice of violation identifying any uncured violation of the Governing Documents; and

(viii) other remedies provided for in this Declaration or by applicable law.

(c) **Emergencies and Legal Action.** In addition, the Association may take the following enforcement procedures to seek compliance with the Governing Documents:

(i) exercise self-help in any emergency situation (specifically including, but not limited to, towing vehicles that are in violation of any parking Rules and Regulations); and/or

(ii) institute any civil action to enjoin any violation or to recover monetary damages or both.

(d) **Remedies Are Cumulative.** All remedies set forth in the Governing Documents are cumulative of any remedies available at law or in equity.

(e) **Costs Incurred By Association.** If the Association exercises any of its rights pursuant to this section, all costs will be assessed against the violating Owner or Resident and will be a lien against the Unit. Additionally, subject to the Act, the Association will also be entitled to reasonable attorney fees actually incurred, which will be collected as an assessment.

Section 11.2 Failure to Enforce. The Association has the discretion to pursue enforcement action in any particular case, except that the Association may not be arbitrary and capricious. The Association's failure to enforce any provision of the Governing Documents is not deemed a waiver of its right to do so thereafter. No claim or right of action exists against the Association for failure of enforcement where: (a) the Association determines that its position is not strong enough to justify taking enforcement action; (b) a particular violation is not of such a material nature as to be objectionable to a reasonable person or justify the expense and resources to pursue; or (c) the Owner or party requesting enforcement possesses an independent right to bring an enforcement action at law or in equity and has failed to do so.

ARTICLE 12. AMENDMENTS

Section 12.1 Amendment by Owners. This Declaration may be amended by the affirmative vote, written agreement, or any combination of affirmative vote and written agreement of the Owners holding at least 67% of the total Association vote.

If a proposed amendment will be considered at a Member meeting, notice of the meeting will state the general subject matter of the proposed amendment. No amendment will be effective until certified by the Association's president and secretary and recorded in the real property records.

Section 12.2 Amendments by Board of Directors. The Board of Directors, without the necessity of a vote by the Owners, may amend this Declaration to correct any scrivener's errors, to comply with any applicable local, state or federal law, and/or to bring the Community into compliance with applicable rules and regulations of the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Department of Housing and Urban Development ("HUD") and the Veterans Administration ("VA") or any successor governmental agencies pursuant to federal law.

Section 12.3 Validity. Any action to challenge an amendment's validity must be brought within one year of the effective date of the amendment.

ARTICLE 13. GENERAL PROVISIONS

SECTION 13.1 Security. The Association may, but is not required to, from time to time, provide measures, or take actions which directly or indirectly improve security in the Community. However, each Owner, for himself and his Residents, guests, tenants, licensees, and invitees, acknowledges and agrees that the Association is not a provider of security and the Association does not have a duty to provide security in the Community. Furthermore, the Association does not guarantee that non-Owners and non-Residents will not gain access to the Community and commit criminal acts in the Community nor does the Association guarantee that criminal acts in the Community will not be committed by other Owners or Residents. The Association is not liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of measures undertaken. Each Owner is responsible to protect his person and property and all responsibility to provide security lies solely with each Owner. Any security measures or cameras installed by an owner must comply with the Association's Rules and Regulations.

Section 13.2 Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration, the Bylaws, the Articles of Incorporation, any use restriction or rule, and

every other right or privilege reasonably to be implied from the existence of any right or privilege given to it or reasonably necessary to effectuate any of its rights or privileges.

Section 13.3 Interpretation. The provisions of this Declaration will be liberally construed to effectuate their purposes of providing a uniform plan for the Community and of promoting and effectuating the fundamental concepts set forth in the recitals of this Declaration. This Declaration will be construed and governed under the laws of the State of Colorado.

Section 13.4 Electronic Records, Notices, and Signatures. Notwithstanding any other portion of this Declaration, records, signatures, and notices will not be denied validity or effectiveness hereunder solely on the grounds that they are transmitted, stored, made, or presented electronically. The relevant provisions of the Bylaws will govern the giving of all notices required by this Declaration.

Section 13.5 Duration. The covenants and restrictions of this Declaration run with and bind the Community perpetually unless otherwise terminated as provided in C.R.S. § 38-33.3-218.

Section 13.6 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise will in no way affect the application of the provision to other circumstances or affect any other provision(s), which will remain in full force and effect.

Section 13.7 Public in General. The rights and burdens created in this Declaration do not, are not intended to, and will not be construed to create any rights and burdens in or for the benefit of the general public.

Section 13.8 Conflicts. In case of any conflict between this Declaration and the Articles of Incorporation or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

Section 13.9 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and do not enlarge, limit or otherwise affect that which is set forth in any paragraph, section, or article.

Section 13.10 Singular Includes the Plural; Gender. Unless the context otherwise requires, the singular includes the plural, and the plural includes the singular, and each gender referral is deemed to include the masculine, feminine and neuter.

IN WITNESS WHEREOF, the undersigned officer of Racquet Club Owners Association, hereby certifies that this Amended and Restated Declaration was duly adopted by the Members of the Association or that the District Court of Eagle County has entered an order approving this Amended and Restated Declaration.

This 29th day of January, 2026.

RACQUET CLUB OWNERS ASSOCIATION

[Signature]

President

[Signature]

Secretary

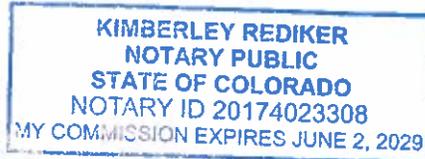
STATE OF COLORADO)
COUNTY OF Eagle) ss.

The foregoing Declaration was acknowledged before me by Greg Grotke
President of the Association, on this 14th day of February, 2026.

[Signature]

Notary Public

My commission expires: June 2, 2029



STATE OF COLORADO)
COUNTY OF Eagle) ss.

The foregoing Declaration was acknowledged before me by James Coope
Secretary of the Association, on this 29th day of January, 2026.

[Signature]

Notary Public

My commission expires: June 2, 2029

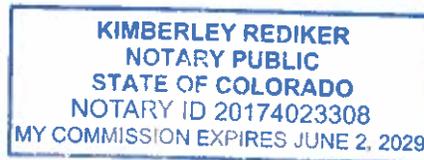


EXHIBIT A

Legal Description of Community

All legal descriptions of property as described in the Original Declaration, which has been amended by those amendments and supplements recorded with the Eagle County Clerk and Recorder, as follows:

1. Condominium Declaration for Vail Racquet Club Condominiums recorded December 13, 1973, at Reception No. 128369 with the Eagle County Clerk and Recorder.
2. First Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded December 6, 1974, at Reception No. 133746 with the Eagle County Clerk and Recorder.
3. Second Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded December 31, 1975, at Reception No. 140082 with the Eagle County Clerk and Recorder.
4. Third Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded November 24, 1976, at Reception No. 146561 with the Eagle County Clerk and Recorder.
5. Fourth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded June 1, 1977, at Reception No. 152160 with the Eagle County Clerk and Recorder.
6. Fifth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded June 1, 1977, at Reception No. 152160 with the Eagle County Clerk and Recorder.
7. Sixth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded June 6, 1972, at Reception No. 167395 with the Eagle County Clerk and Recorder.
8. Seventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded July 19, 1979, at Reception No. 184976 with the Eagle County Clerk and Recorder.
9. Eighth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded April 15, 1980, at Reception No. 198132 with the Eagle County Clerk and Recorder.
10. Ninth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded September 5, 1980, at Reception No. 204762 with the Eagle County Clerk and Recorder.
11. Tenth Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded November 9, 1981, at Reception No. 228183 with the Eagle County Clerk and Recorder.
12. Eleventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums recorded March 19, 1986, at Reception No. 234286 with the Eagle County Clerk and Recorder.
13. First Amendment to the Eleventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums for Building 15 recorded January 10, 2006, at Reception No. 20060095 with the Eagle County Clerk and Recorder.
14. Second Amendment to the Eleventh Supplement to Condominium Declaration for Vail Racquet Club Condominiums for Building 15 recorded August 14, 2006, at Reception No. 200622029 with the Eagle County Clerk and Recorder.
15. Condominium Declaration for Vail Racquet Club Townhomes recorded January 9, 1980, at Reception No. 193562 with the Eagle County Clerk and Recorder.

16. First Supplement to Condominium Declaration for Racquet Club Townhomes recorded in March 13, 1981, at Reception No. 216303 with the Eagle County Clerk and Recorder.
17. Second Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 13, 1981, at Reception No. 216304 with the Eagle County Clerk and Recorder.
18. Third Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 13, 1981, at Reception No. 216305 with the Eagle County Clerk and Recorder.
19. Fourth Supplement to Condominium Declaration for Racquet Club Townhomes recorded May 28, 1982, at Reception No. 237368 with the Eagle County Clerk and Recorder.
20. Fifth Supplement to Condominium Declaration for Racquet Club Townhomes recorded May 28, 1982, at Reception No. 237369 with Eagle County Clerk and Recorder.
21. Sixth Supplement to Condominium Declaration for Racquet Club Townhomes recorded May 28, 1982, at Reception No. 237370 with the Eagle County Clerk and Recorder.
22. Seventh Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 18, 1983, at Reception No. 252018 with the Eagle County Clerk and Recorder.
23. Eighth Supplement to Condominium Declaration for Racquet Club Townhomes recorded April 11, 1984, at Reception No. 279332 with the Eagle County Clerk and Recorder.
24. Ninth Supplement to Condominium Declaration for Racquet Club Townhomes recorded April 11, 1984, at Reception No. 279333 with the Eagle County Clerk and Recorder.
25. Tenth Supplement to Condominium Declaration for Racquet Club Townhomes recorded April 11, 1984, at Reception No. 279334 with the Eagle County Clerk and Recorder.
26. Eleventh Supplement to Condominium Declaration for Racquet Club Townhomes recorded September 5, 1985, at Reception No. 320537 with the Eagle County Clerk and Recorder.
27. Twelfth Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 19, 1987, at Reception No. 355750 with the Eagle County Clerk and Recorder.
28. Thirteenth Supplement to Condominium Declaration for Racquet Club Townhomes recorded March 19, 1987, at Reception No. 355751 with the Eagle County Clerk and Recorder.
29. Map of Vail Racquet Club Condominiums.
30. First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, and Eleventh Supplements to Map.
31. First Amended Eleventh Supplement to the Condominium Map of Vail Racquet Club Condominiums recorded August 14, 2006, at Reception No. 200622028 with the Eagle County Clerk and Recorder.
32. Maps of the Racquet Club Townhomes recorded with the Eagle County Clerk and Recorder on:
 - January 9, 1980, at Reception No. 193565;
 - March 18, 1983 at Reception No. 252019;
 - September 5, 1985 at Reception No.320538;

- April 12, 1984 at Reception No.279329; and
- March 19, 1987 at Reception No. 355747.

and any others of record.

This Declaration does not increase, decrease, or otherwise alter the property comprising the Association.

EXHIBIT B

Allocated Interests

<u>Unit Type</u>	<u>Number of Units</u>	<u>Common Interest and Expense Allocation Per Unit</u>	<u>Total Per Unit Type</u>
One Bedroom	132	0.002158513%	28.49%
Two Bedroom	110	0.003201136%	35.21%
Three Bedroom	9	0.004333933	3.90%
Townhome	60	0.005399099	32.39%
TOTAL	311		100%

Each Unit shall have one vote in the Association, irrespective of type.

There are also 23 employee housing units, which are not assessed and do not have a vote.

EXHIBIT C

**Easements and Other Recorded Matters
To Which The Project Is Subject**

See **Exhibit A** to this Declaration.

EXHIBIT D

Common Elements

There are no Common Elements created by this Declaration.

EXHIBIT E

Limited Common Elements

There are no Limited Common Elements created by this Declaration.