

THE STONEBRIDGE CONDOMINIUM ASSOCIATION, INC.

SECOND AMENDED AND RESTATED CONDOMINIUM DECLARATION

This Second Amended and Restated Condominium Declaration for the Stonebridge Condominiums ("Second Amended Declaration") dated May 12, 2021, shall be effective upon recordation and is made by The Stonebridge Condominium Association, Inc., a Colorado nonprofit corporation ("Association"). The Association is the legal representative of the owners of certain real property in the Town of Snowmass Village, Pitkin County, Colorado, more particularly described in Exhibit A, which is incorporated herein by this reference ("Property"). The Association hereby makes or confirms the following Amended Declarations:

ARTICLE 1: IMPOSITION OF COVENANTS

1. Purpose; Election of Treatment under the Act. The purpose of this Second Amended Condominium Declaration is made to update, repeal, and replace the Amended and Restated Condominium Declaration recorded in the public records of Pitkin County on July 13, 2018 at Reception No. 648805 (the "First Amended Declaration") and, further, to clarify and elect treatment under the Act. Accordingly, pursuant to C.R.S. § 38-33.3-118, the Association hereby accepts the provisions of the Act, elects for the Stonebridge Condominiums to be treated as a condominium common interest community under the Act, and otherwise subjects the Stonebridge Condominiums to all of the provisions of the Act, as the Act may be amended. .
2. Intent of Association. Association desires to protect the value and desirability of the Stonebridge Condominiums, to further a plan for the use and ownership of the Units, to create a harmonious and attractive development and to promote and safeguard the health, comfort, safety, convenience, and welfare of the Owners.
3. Second Amended and Restated Declaration. To accomplish the purposes and intentions recited above, Association hereby amends, restates, modifies, supersedes and replaces in their entirety any and all prior condominium declarations and amendments thereto with this Second Amended Declaration, including but not limited to the First Amended Declaration, which shall govern all improvements, appurtenances, and facilities relating to or located on the Property now and in the future, and hereby imposes upon all of the Property the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions of this Second Amended Declaration. The Association hereby confirms and declares that all of the Property shall be owned, held, sold, conveyed, encumbered, leased, rented, occupied, maintained and improved subject to the provisions of this Second Amended Declaration and the Act.
4. Covenants Running With the Land. All conditions and provisions of this Second Amended Declaration shall be deemed to be covenants running with the land, or as equitable servitudes, as the case may be. The benefits, burdens, and other provisions contained in this Second Amended Declaration shall be binding upon and shall inure to the benefit of the Association, all Owners and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

ARTICLE 2: DEFINITIONS

The following words, when used in this Second Amended Declaration, shall have the meanings designated below unless the context expressly requires otherwise:

5. "Act" - means the Colorado Common Interest Ownership Act. In the event the Act is repealed, the Act, on the effective date of this Second Amended Declaration, shall remain applicable to this Amended Declaration.
6. "Allocated Interests" - means the undivided interest in the Common Elements and the Common Expense Liability together with the Voting Points in the Association allocated to each of the Units. The

formula used to establish the Allocated Interests is set forth in **Exhibit B**, which is incorporated herein by this reference.

7. **"Amended Condominium Map"** - means that part of this Second Amended Declaration that depicts all or any portion of the Stonebridge Condominiums in three dimensions, is executed by the Association and is recorded in the Records. The Amended Condominium Map shall also be a land survey plat as set forth in C.R.S. 538-51-106. In the Amended Condominium Map, a "Horizontal Boundary" means a plane of elevation relative to a described benchmark that defines either a lower or upper dimension of a Unit such that the real estate respectively below or above the defined plane is not part of the subject Unit. In the Amended Condominium Map, a "Vertical Boundary" means the defined limit of a Unit that is not a Horizontal Boundary of that Unit.

8. **"Second Amended Declaration"** - means this Second Amended Declaration, together with any subsequent supplement or amendment to this Second Amended Declaration, and any other recorded instrument however denominated that is executed by Association and recorded in the Records.

9. **"Articles of Incorporation"** - means the Articles of Incorporation of the Stonebridge Condominium Association, Inc., filed with the Colorado Secretary of State, on 29 December 1969, as amended from time to time.

10. **"Assessments"** - means and includes the Annual Assessments, Special Assessments and Default Assessments levied pursuant to this Second Amended Declaration.

11. **"Association"** - means The Stonebridge Condominium Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

12. **"Board of Directors" or "Board"** - means the governing body of the Association, as provided in this Second Amended Declaration and in the Articles of Incorporation and Bylaws.

13. **"Budget"** - means the annual budget of the projected revenues, expenditures (both ordinary and capital) and reserves for the Association.

14. **"Bylaws"** - means the bylaws adopted by the Association, as amended.

15. **"Common Elements"** - The Common Elements shall be owned by the Owners, each Unit being allocated an undivided interest in the Common Elements as allocated pursuant to Article 4. Common Elements means all those portions of the Stonebridge Condominiums, other than the Units, including, without limiting the generality of the foregoing, the following components: (a) the Property; (b) the foundations and structural components of Improvements containing the Units, the mechanical and utility installations, lines and systems consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, hot water heaters, boilers, sewer, plumbing, snowmelt, cable television, telecommunications systems, heating and central air conditioning and other similar systems, lines and installations which exist for use by one or more of the Owners, including the pipes, vents, ducts, flues, cable conduits, wires, telephone wire, and other similar utility installations used in connection therewith and the areas designated on the Map as including those installations, trash rooms, elevators, stairs, attics, and plenums; (c) the yards, sidewalks, walkways, paths, grass, shrubbery, trees, planters, driveways, roadways, landscaping, gardens, parking areas, and any amenities and related facilities located upon the Property that are not Units or within Units; (d) in general, all other parts of the Stonebridge Condominiums designated by Association as Common Elements and existing for the use of one or more of the Owners as shown on the Amended Condominium Map, including, without limitation, access to public streets; and (e) any parcels of real property, and improvements and fixtures located thereon, that are owned by a Person other than the Association but in which the Association has rights of use or possession pursuant to this Second Amended Declaration or to a lease, license, easement or other agreement, and used or possessed by the Association for the benefit of all Owners.

16. **"Common Expenses"** - means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, including, without limiting the generality of the

foregoing, the following items: (a) expenses of administration, insurance, operation, and management, repair or replacement of the Common Elements except to the extent such repairs and replacements are responsibilities of an Owner as provided in this Second Amended Declaration; (b) expenses identified as Common Expenses by the provisions of this Second Amended Declaration or the Bylaws; (c) expenses agreed upon as Common Expenses by the members of the Association; and (d) expenses to be paid by the Association pursuant to any Management Agreement.

17. **"Common Expense Liability"** - means the liability for Common Expenses allocated to each Unit pursuant to this Second Amended Declaration.

18. **"Condominium Documents"** - means the documents creating and governing the Stonebridge Condominiums, including, but not limited to, this Second Amended Declaration, the Articles of Incorporation and Bylaws, the Amended Condominium Map, any Rules and Regulations, and any other documents or provisions adopted by the Association or the Board.

19. **"Costs of Enforcement"** - means all monetary fees, late charges, interest, expenses, costs, including receivers' and appraisers' fees, collection agency fees, and reasonable attorneys' fees and disbursements, including legal assistants' fees, incurred by the Association in connection with the collection of Assessments or in connection with the enforcement of the terms, provisions, conditions and obligations of the Condominium Documents.

20. **"Default Assessment"** - means an Assessment levied pursuant to this Second Amended Declaration in connection with an unpaid amount for which an Owner is responsible including, without limitation, for Costs of Enforcement, overdue amounts charged by the Association to an Owner, liability for negligence and indemnification obligations.

21. **"Fine"** - means a monetary charge or penalty imposed by the Association against an Owner for violating terms, conditions, or provisions of the Condominium Documents. Late charges, other Costs of Enforcement, Default Assessments (other than any portion thereof which is designated as a Fine), and interest on overdue amounts are expressly excluded from the definition of, and shall not be a Fine.

22. **"Improvements"** - means the buildings, including all fixtures and improvements contained within them, located on the Property in which Units, Limited Common Elements, or Common Elements are located, together with landscaping and amenities located on the Property.

23. **"Limited Common Elements"** - means those parts of the Common Elements that are limited to and reserved for use in connection with one or more, but fewer than all, of the Units. Without limiting the foregoing, the Limited Common Elements includes any fireplace, chimney, balcony, deck, patio, courtyard or porch appurtenant to and accessible only from a Unit, any shutters, awnings, window boxes, doors, doorsteps, entryways, stoops, porch, balcony or patio designated or designed to serve either a single Unit or two or more Units, but not all Units, but located outside the Unit's boundaries, or parking spaces located outside the Units and designated as "Limited Common Elements" or "LCE" in this Second Amended Declaration or on the Amended Condominium Map, if any. All Limited Common Elements may be used in connection with the appurtenant Units to the exclusion of the use thereof by the other Owners, except by invitation and except as otherwise set forth in Article 13 - Easements. No reference to Limited Common Elements need be made in any instrument of conveyance or encumbrance in order to convey or encumber the Limited Common Elements appurtenant to a Unit.

24. **"Majority of Owners"** - means a majority of the Voting Points as are allocated in Exhibit B and assigned in Exhibit C, rather than a majority of those present or voting by proxy at a meeting.

25. **"Management Agreement"** - means any contract or arrangement entered into for purposes of discharging the responsibilities of the Board of Directors relative to the operation, maintenance, management, and leasing of the Stonebridge Condominiums.

26. **"Managing Agent"** - means a person, firm, corporation or other entity employed or engaged as an independent contractor pursuant to a Management Agreement to perform management services for the Association, including management of leasing of Units.
27. **"Occupant"** - means any member of an Owner's family or an Owner's guests, invitees, tenants, employees, or licensees who occupy a Unit or are on the Common Elements for any period of time.
28. **"Owner"** - means any Person who owns record title to a Unit (including a contract seller, but excluding a contract purchaser) but excludes any Person having a Security Interest in a Unit unless such Person has acquired record title to the Unit pursuant to foreclosure or other proceedings or by conveyance in lieu of foreclosure. An Owner is the same as Unit Owner.
29. **"Party Wall"** - means any common wall adjoining two (2) or more Units and shall be deemed to include the footings underlying, the portion of the roof over, and the utility lines within, a common wall.
30. **"Person"** - means an individual, association, partnership, limited liability company, corporation, trust, governmental agency, political subdivision, or other legal entity or any combination thereof.
31. **"Property"** - means the real property described in **Exhibit A**.
32. **"Real Estate"** - means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that, by custom, usage or law, pass with the conveyance of land though not described in the contract of sale or instrument of conveyance.
33. **"Records"** - means the public records maintained by the Office of the Clerk and Recorder of Pitkin County, Colorado.
34. **"Rules and Regulations"** - means the Rules and Regulations promulgated by the Association for the management, preservation, safety, control, and orderly operation of the Stonebridge Condominiums in order to effectuate the intent and to enforce the obligations set forth in the Condominium Documents, as amended and supplemented from time to time. Without limiting the generality of the foregoing, the phrase Rules and Regulations as used in the Condominium Documents shall not be limited to the provisions of the documents entitled Rules and Regulations, but instead shall include all policies, procedures, rules, regulations, and guidelines as the same may be adopted or amended from time to time by the Board of Directors and shall expressly include, without limitation, any corporate governance policies, and any architectural control guidelines.
35. **"Security Interest"** - means an interest in Real Estate or personal property created by contract or conveyance which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation. The holder of a Security Interest includes any insurer or guarantor of the obligation secured by a Security Interest.
36. **"Unit" or "Condominium Unit"** - means a physical portion of the Stonebridge Condominiums which is designated for separate ownership or occupancy and the boundaries of which are described in or determined by this Second Amended Declaration and depicted on the Amended Condominium Map. A Unit need not be enclosed by walls, but in the event a Unit consists of enclosed rooms, such Unit shall be bounded by the interior surfaces of Perimeter Walls, Unfinished Perimeter Walls, Unfinished Floors and Unfinished Ceilings thereof, each of which shall be defined as follows: (a) "Perimeter Wall" means the wooden, metal, or similar structural materials which constitute the exterior face of a wall of a Unit; (b) "Unfinished Ceiling" means the beams, joists, and wooden, metal or other structural materials which constitute the ceiling of a Unit; (b) "Unfinished Perimeter Wall" means the studs, plates, and wooden, metal or other structural materials which constitute the wall enclosing a Unit; and (c) "Unfinished Floor" means the beams, floor joists, and floor deck material which constitute the floor of a Unit. A Unit that is enclosed by walls shall include any lath, furring, wallboard, plasterboard, plaster, drywall, wall paneling, wood, tile, paint, paper,

carpeting, or any other wall, ceiling, or floor covering, any fireplace or stove hearth, facing brick, tile or firebox, fixtures and hardware, all improvements contained within the area bounded by the Perimeter Walls, Unfinished Perimeter Walls, Ceilings, and Floors, and any heating and refrigerating elements or related equipment, utility lines and outlets, telecommunications lines, electrical and plumbing fixtures, pipes, and all other related equipment required to provide heating, air conditioning, hot and cold water, electrical, communications, or other utility services solely to such Unit and located within the Perimeter Walls, Unfinished Perimeter Walls, Ceilings, and Floors; provided, however, that such Unit shall not include any of the structural components of the Improvements or any elements, equipment, lines, pipes, fixtures or equipment which are located within such Unit but which serve Common Elements or more than one Unit. Each Unit shall be designated by a separate number, letter, address, or other symbol or combination thereof that identifies only one Unit in the Stonebridge Condominiums as more specifically set forth in Exhibit C.

37. "Voting Points" - means the number of points assigned to a respective Unit for all voting purposes and particularly for the election of the Board of Directors and for approval of Association actions. Voting Points are set out in Exhibit C to this Second Amended Declaration.

ARTICLE 3: DIVISION INTO CONDOMINIUM OWNERSHIP

38. Division Into Units. - The Stonebridge Condominiums have been divided into types of Units as identified in Exhibit B. The undivided interests in the Common Elements is as allocated in Exhibit C, and are hereby confirmed to be appurtenant to the respective Condominium Units.

39. Delineation of Unit Boundaries. - The boundaries of each Condominium Unit are delineated and designated by an identifying number on the Amended Condominium Map which shall be prepared and then recorded promptly after the approval of this Second Amended Declaration.

40. Inseparability of Unit. - Except as provided in the section below captioned "Subdivision of Units": (a) no part of a Unit or of the legal rights comprising ownership of a Unit may be partitioned or separated from any other part thereof during the period of condominium ownership prescribed in this Amended Declaration; (b) each Unit and its appurtenances shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete Unit.

41. Non-Partitionability of Common Elements. - The Common Elements are owned in common by all of the Owners and shall remain physically undivided. No Owner shall bring any action for partition or division of the Common Elements. By acceptance of a Deed or other instrument of conveyance or assignment to a Condominium Unit, each Owner shall be deemed to have specifically waived such Owner's right, if any, to institute or maintain a partition action or any other cause of action designed to cause a division of the Common Elements. This section may be plead as a bar to the bringing and maintaining of such an action. In addition to all other remedies of the Association, any Owner who institutes or maintains any such action shall be liable to the Association and hereby agrees to reimburse the Association for the Costs of Enforcement in defending any such action.

42. Subdivision, Combination, or Relocation of Unit Boundaries. - Owners may not subdivide their Condominium Units, nor relocate boundaries between their Condominium Unit and an adjoining Condominium Unit, or reallocate Limited Common Elements between or among Condominium Units without obtaining the prior approval of the Board of Directors pursuant to the Act. Any such approved change shall also be subject to the applicable provisions and requirements of this Second Amended Declaration and of the Act and any other law, ordinance, regulation, or requirement of any governmental authority having jurisdiction over the Units or the Stonebridge Condominiums, including, without limitation, the Town of Snowmass Village zoning ordinances ("Applicable Laws"). Owners shall be responsible for assuring that all alterations comply with all Applicable Laws and the Condominium Documents and that all necessary approvals are obtained from governmental authorities and other third parties. Upon subdivision, combination, relocation of Unit boundaries, or other such alteration that results

in a change in square footage of a Unit, the allocated interests of such changed Units shall be amended and updated in accordance with the formulas set forth in Exhibit B and C.

ARTICLE 4: ALLOCATED INTERESTS

43. Allocation of Interests. - The interests allocated to each Unit shall be as shown and described in Exhibit B. The percentage of the undivided interests in the Common Elements shall be as set forth in Exhibit C. The percentage of Common Expense Liability shall be allocated among all Units as set forth in Exhibit C and as otherwise provided in this Second Amended Declaration. Each Unit is allocated votes (Voting Points) as set forth in Exhibit C.

ARTICLE 5: AMENDED CONDOMINIUM MAP

44. Amended Condominium Map. - The Amended Condominium Map shall be filed in the Records. Any condominium map filed subsequent to the Amended Condominium Map shall be termed a Supplement to the Amended Condominium Map, and the numerical sequence of such supplements shall be shown thereon. An Amended Condominium Map shall be filed following the adoption of this Second Amended Declaration. The Amended Condominium Map shall satisfy the provisions of C.R.S. §38-33.3-209 of the Act and of C.R.S. §38-51-106. Any amended or supplemental Condominium Map must be approved in writing by the Board of Directors and any purported condominium map not approved in writing by the Board of Directors shall be null and void and of no force or effect.

45. Amended Condominium Map Contents. - Any Amended Condominium Map shall contain a certificate executed by the Board of Directors consenting to the amended or supplemental condominium map. Any Amended Condominium Map shall also contain a certificate of a registered and licensed land surveyor certifying that the Amended Condominium Map contains all information required by this Second Amended Declaration and the Act. Each amendment or supplement shall set forth a like certificate as appropriate. In interpreting the Amended Condominium Map, the existing physical boundaries of each separate Unit as constructed shall be conclusively presumed to be its boundaries.

ARTICLE 6: LEGAL DESCRIPTION AND TAXATION OF UNITS

46. Conveyances. - Subsequent to recording of this Second Amended Declaration and the Amended Condominium Map, contracts to convey, instruments of conveyance of Condominium Units, and every other instrument affecting title to a Condominium Unit should be in substantially the following form with such omissions, insertions, recitals of fact, or other provisions as may be required by the circumstances or appropriate to conform to the requirements of any governmental authority, practice or usage or requirement of law with respect thereto:

Unit __, according to the Second Amended and Restated Condominium Declaration for Stonebridge Condominiums recorded _____, 2021, at (Reception #: _____) and the Amended Condominium Map recorded _____, 2018, at (Reception #: _____) in the office of the Clerk and Recorder of Pitkin County, Colorado;

Formerly known as: [repeat legal description from most recent vesting deed].

47. Conveyance Deemed to Include. - Every instrument of conveyance, Security Interest, or other instrument affecting the title to a Condominium Unit which legally describes the Condominium Unit substantially in the manner set forth above, or as set forth in the grant deed for such Condominium Unit, shall be construed to include the Condominium Unit, together with the undivided interest in the Common Elements and Limited Common Elements appurtenant to such Condominium Unit, as shown in Exhibit C, and together with all fixtures and improvements contained in such Condominium Unit, and to incorporate all the rights incident to ownership of a Condominium Unit and all the limitations of ownership as described

in the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Second Amended Declaration and the other Condominium Documents, including the easement of enjoyment to use the Common Elements.

48. Separate Tax Assessments. - The separate tax assessment of the Condominium Units shall continue unaffected by this Second Amended Declaration and the Amended Condominium Map. The lien for taxes assessed shall be confined to the Condominium Units. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments, or other governmental charge shall divest or in any way affect the title to any other Condominium Unit, including, without limitation, the Common Elements appurtenant to any other Condominium Unit.

ARTICLE 7: MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

49. Association Membership. - The original Articles of Incorporation for the Association were filed on 29 December 1969. Every Owner is a member of the Association and shall remain a member for the period of the Owner's ownership of a Unit. No Owner, whether one or more Persons, shall have more than one membership per Unit owned, but all of the Persons owning a Unit shall be entitled to rights of membership and of use and enjoyment appurtenant to ownership of a Unit. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Unit. If title to a Unit is held by more than one Person, such Persons shall appoint and authorize one Person or alternate Persons to represent the Owners of the Unit pursuant to the Bylaws, and there shall be a single registered mailing address for each Unit, as applicable, for notice and delivery purposes as further set forth in the Bylaws.

50. Voting Rights and Meetings. - Each Unit shall have the votes allocated in accordance with Exhibit B and Exhibit C. Cumulative voting shall not be allowed in the election of the Board or for any other purpose. A meeting of the Association shall be held at least once each year, and special meetings of the Association may be called as provided in the Bylaws.

51. Meeting to Approve Annual Budget. - A proposed Budget based on the previous year's budget and best available information for the future will be provided to the Board of Directors by Association Management. Then, and if so desired by the Board of Directors, prior to the Board of Directors Meeting to review the budget, the Treasurer and a representative of Association Management will perform a line-item review and approval of the proposed Budget. At a meeting of the Board of Directors, the Board of Directors may review and approve the proposed Budget, with or without amendments,. Pursuant to the Act, within ninety days after adoption of a proposed Budget by the Board of Directors, the Association Management shall mail, email, or otherwise deliver, including posting the adopted Budget on the Association's website, a summary of the Budget to all the Owners and shall set a date for a meeting of the Owners to consider the Budget. The meeting may also be the Annual Meeting of the Owners, but otherwise such meeting must occur within a reasonable time after mailing or other delivery of the summary of the Budget, or as allowed for in the Bylaws. The Board of Directors shall give notice to the unit owners of the meeting as allowed for in the Bylaws. Pursuant to the Act, the Budget does not require approval from the Owners and it will be deemed approved by the Owners in the absence of a veto at the noticed meeting by a majority of all Owners, whether or not a quorum is present. If the Budget is vetoed, the periodic Budget last approved by the Board of Directors and not vetoed by the Owners must be continued until a subsequent Budget adopted by the Board of Directors is not vetoed by the Owners.

52. Election of the Board of Directors and Officers. - The Owners shall elect all members of the Board of Directors in accordance with the Bylaws. The Board of Directors shall elect the Officers. The members of the Board of Directors shall take office upon election. Each member of the Board of Directors shall serve for the term specified in the Bylaws and may be removed only in accordance with the Bylaws.

ARTICLE 8: ASSOCIATION POWERS AND DUTIES

53. Association Management Duties. - Subject to the rights and obligations of the Association and other Owners as set forth in this Second Amended Declaration, the Association shall be responsible for the administration and operation of the Stonebridge Condominiums and for the exclusive management, control, maintenance, repair, replacement, and improvement of the Common Elements. The Association shall keep the same in good, clean, attractive, and sanitary condition, order, and repair. The expenses, costs, and fees of such management, operation, maintenance, and repair by the Association shall be part of the Assessments, and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs, and fees. The Association shall establish and maintain, out of the installments of the annual Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements that must be maintained, repaired or replaced on a periodic basis. The Association shall adopt and amend, annually and in accordance with the provisions hereof, a Budget which will be the basis for collection of Assessments from Owners. The Association shall keep financial records sufficiently detailed to enable the Association to comply with the requirement to provide statements of status of Assessments. All financial and other records of the Association shall be made reasonably available for examination by any Owner and such Owner's authorized agents, in accordance with the Condominium Documents.

54. Association Powers. - The Association shall have, subject to the limitations contained in this Second Amended Declaration, the Bylaws, and the Act, all powers necessary or appropriate for the administration of the affairs of the Association and the upkeep of the Stonebridge Condominiums, which shall include, but not be limited to, the following: (a) Adopt and amend the Bylaws and the Rules and Regulations; (b) Adopt and amend an annual Budget; (c) Collect Assessments from Owners; (d) Suspend the voting interests allocated to a Unit, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any Assessment, or during any time in which an Owner is in violation of any other provision of the Condominium Documents; (e) Hire and discharge Managing Agents and delegate to such Managing Agents the power and duty to enforce the Rules and Regulations and other powers and duties of the Association, subject to the requirements of the Act; (f) Hire and discharge employees, independent contractors, and agents other than Managing Agents; (g) Institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Condominium Documents in the Association's name, on behalf of the Association or on behalf of two or more Owners in matters affecting the Stonebridge Condominiums; (h) Adjust and settle insurance claims; (i) Receive notices, join in any litigation or administrative proceeding, and execute any and all documents in the Association's name, on behalf of the Association, or on behalf of the two or more Owners, in connection with any change in zoning, annexation, subdivision approval, building permit, or other type of governmental approval required to accomplish or maintain the purposes of the Association; (j) Make contracts and incur liabilities; (k) Regulate the use, maintenance, repair, replacement, and modification of all Common Elements (expressly including the Limited Common Elements), all Association property within the Stonebridge Condominiums or any property which serves the Stonebridge Condominiums but which is outside its boundaries; (l) Establish policies and procedures for entry into Units under authority granted to the Association in the Condominium Documents for the purpose of cleaning, maintenance, and repair (including emergency repair) and for the purpose of abating a nuisance, or a known or suspected dangerous or unlawful activity; (m) Cause additional improvements to be made as a part of the Common Elements; (n) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property (provided that Common Elements may be conveyed or subjected to a Security Interest only pursuant to C.R.S. § 38-33-3-312 of the Act); (o) Grant easements, including permanent easements, and grant leases, licenses and concessions, through or over the Common Elements; (p) Impose and receive a payment, fee, or charge for services provided to Owners, and for the use, rental, or operation of the Common Elements (other than for the use or rental of the Limited Common Elements); (q) Establish from time to time, and thereafter impose, charges for late payment of Assessments or any other sums due and, after notice and hearing, levy a Fine for a violation of the Condominium Documents; (r) Impose a reasonable charge for the preparation and recording of amendments to the Second Amended Declaration or statements of unpaid Assessments and for services provided to

Owners; (s) Recover Costs of Enforcement for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated; (t) Provide for the indemnification of the Association's officers and the Board of Directors to the extent permitted by law and maintain directors' and officers' liability insurance; (u) Assign the Association's right to future income, including the right to receive Assessments; (v) enter management agreements with Owner for management and leasing of such Units; (w) Appoint any committee and by resolution, establish committees, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee; (x) By resolution, set forth policies and procedures which provide for corporate actions and powers which are different than those set forth in the Colorado Nonprofit Corporation Act, which are permitted to be "otherwise set forth in the Bylaws." Such resolutions shall be given the same force and effect as if specifically enumerated in the Second Amended Declaration or the Bylaws; (y) Exercise any other powers conferred by the Condominium Documents, the Act, or the Nonprofit Act or that may otherwise be exercised by entities of the same type as the Association under Colorado law; and (z) Exercise any other power necessary or proper for the governance and operation of the Association.

55. Board of Directors. - The affairs of the Association shall be governed by the Board of Directors, which may, by resolution, delegate any portion of its authority to an executive committee or an officer, executive or Director of the Association. The Board will consist of directors in accordance with the Bylaws (a "Director" or "Board member").

56. Board of Directors Meetings. - All meetings of the Board of Directors, at which action is to be taken by vote, are open to the Owners, and agendas for meetings of the Board of Directors shall be made reasonably available for examination as set forth in the Bylaws. Any or all of the Directors may participate at a Board of Directors Meeting by or through use of any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Director participating in a meeting by this means shall be deemed to be present in person at the meeting. The Board of Directors may convene executive sessions that are not open to the Owners in accordance with the Act.

57. Actions by Board of Directors. - Except as specifically otherwise provided in this Second Amended Declaration, the Bylaws or the Act, the Board of Directors may exercise the Association Powers set forth above and act in all instances on behalf of the Association. All actions and decisions of the Board shall require the affirmative vote of at least a majority of the Directors. This section shall not be amended except with the approval of Owners holding at least sixty-seven (67%) percent of the Voting Points in the Association.

58. Committees. - Committees of the Association shall perform those tasks as set forth in the Bylaws and as are delegated to them by the Board. Committee Members should be Board Members, but when deemed appropriate by the President, non Board Members may be non-voting Committee Members. The Association shall create committees as necessary for long-term matters or for temporary purposes for specific projects and tasks.

59. Limitations on Powers of the Board. - Except as expressly permitted pursuant to this Amended Declaration or the Act, the Board may not otherwise act on behalf of the Association to amend this Second Amended Declaration, or to elect members of the Board, or to determine the qualifications, powers and duties or terms of office of the Board members. However, the Board may fill vacancies in its membership for the unexpired portion of any term to the extent not inconsistent with this Second Amended Declaration, the Bylaws, the Act and other applicable laws.

ARTICLE 9: ASSESSMENTS

60. Annual Assessments. - The Association shall levy Annual Assessments to pay for the Common Expense Liability allocated to each Unit pursuant to this Second Amended Declaration. The total Annual Assessments shall be based upon the Budget. Any surplus funds of the Association remaining after payment

of or provision for Common Expenses and after any prepayment of or provision for reserves, as determined by the Board of Directors, shall be used to reduce future assessments for Common Expenses, as determined by the Board of Directors in its discretion.

61. Apportionment of Annual Assessments. - The total annual Assessments for any fiscal year of the Association shall be assessed to the Units in proportion to their percentage of Common Expense as allocated pursuant to Exhibit C. Common Expenses associated with the operation, maintenance, repair, or replacement of Limited Common Elements, which shall be assessed equally or on such other equitable basis as the Board of Directors shall determine to the Units to which the specific Limited Common Elements are appurtenant. Any Common Expense caused by the misconduct or malfeasance of any Owner or Owners may be assessed exclusively or on such other equitable basis as the Board of Directors shall determine against such Owner or Owners. All such allocations of Common Expenses to the Units on a basis other than the Units' percentage of Common Expenses shall be determined by the Board of Directors.

62. Special Assessments. - In addition to the annual Assessments authorized above, the Board of Directors may at any time and from time-to-time determine, levy, and assess in any fiscal year a Special Assessment for the fiscal year or for any such longer period as the Board of Directors may determine, for the purpose of defraying, in whole or in part, costs, fees, and expenses of any construction, reconstruction, repair, demolishing, replacement, renovation or maintenance of the Stonebridge Condominiums, specifically including any fixtures and personal property related to it and any other unbudgeted or unanticipated costs of the Association. Such Special Assessments shall be assessed to the Units in accordance with Exhibit C, .

63. Due Dates for Assessment Payments. - Owners shall have the option to pay their assessment in installments as the Board may from time to time determine to be appropriate. If any installment is not paid when due and payable, then the Board of Directors may assess a late charge, default interest charge (not to exceed the rate from time to time allowed by C.R.S. § 38-33-3-315 of the Act or other Applicable Law), fee, or such other charge as the Board of Directors may fix by rule from time to time to cover the extra expenses involved in handling such delinquent Assessment installment. An Owner's Assessment shall be prorated if the ownership of a Unit commences or terminates on a day other than the first day or last day, respectively, of the applicable payment period. However, if the Common Expense Liability is reallocated in accordance with this Second Amended Declaration, any installment of an Assessment not yet due shall be recalculated to reflect the reallocated Common Expense Liability.

64. Default Assessments. - All Costs of Enforcement assessed against an Owner pursuant to the Condominium Documents, any Fines, and any expense of the Association which is the obligation of an Owner pursuant to the Condominium Documents and is not paid when due shall become a Default Assessment assessed against the Owner's Unit.

65. Covenant of Personal Obligation for Assessments. - All Owners are deemed to personally covenant and agree with all other Owners and with the Association, and hereby do so covenant and agree to pay to the Association Annual Assessments, Special Assessments, and Default Assessments applicable to the Owner's Unit. No Owner may waive or otherwise evade personal liability for the payment of the Assessments provided for in this Second Amended Declaration by not using the Common Elements or the facilities located on or in the Common Elements or by abandoning or leasing such Owner's Unit.

66. Lien for Assessments and Assignment of Rents. - All Assessments (including installments of Assessments) arising under the provisions of the Condominium Documents shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Unit to which such Assessments apply. To further evidence such lien upon a specific Unit, the Association may prepare a written lien notice setting forth the description of the Unit, the amount of Assessments on the Unit unpaid as of the date of such lien notice, the rate of default interest as set by the Rules and Regulations, the name of the Owner or Owners, and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board of Directors, an officer of the Association, the Managing Agent, or the Association's attorney and may be recorded in the Records. Any such lien notice shall not constitute a condition precedent

or delay the attachment of the lien, but such lien is a perpetual lien upon the Unit and attaches without notice at the beginning of the first day of any period for which any Assessment is levied. Upon any default in the payment of any Assessments, the Association shall also have the right to appoint a receiver to collect all rents, profits, or other income from the Unit payable to the Owner and to apply all such rents, profits, and income to the payment of delinquent Assessments. Each Owner, by ownership of a Unit, agrees to the assignment of such rents, profits, and income to the Association effective immediately upon any default in the payment of any Assessments.

67. Remedies for Nonpayment of Assessments. - If any Assessment, or any installment of the Assessment, is not fully paid when due, then as often as the same may happen, default interest, late charges, and Costs of Enforcement will accrue as set forth in the Rules and Regulations. In addition, if any Assessment, or any installment of an Assessment, is not fully paid when due and payable, then as often as the same may happen, (a) the Association may declare due and payable all unpaid installments of the Assessment otherwise due during the fiscal year during which such default occurred, (b) the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same, (c) the Association may proceed to foreclose its lien pursuant to the power of sale granted to the Association by this Second Amended Declaration or in the manner and form provided by Colorado law for foreclosure of real estate mortgages, (d) the Association may suspend the Owner's right to vote in Association matters until the Assessment is paid, and (e) the Association may pursue any other remedies available pursuant to the Condominium Documents or Applicable Law. An action at law or in equity by the Association, including counterclaims or cross-claims for such relief in any action against an Owner to recover a money judgment for unpaid Assessments, or any installment thereof, may be commenced and pursued by the Association without foreclosing or in any way waiving the Association's lien for the Assessments. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to prevent or otherwise preclude the Association from again foreclosing or attempting to foreclose its lien for any subsequent Assessments, or installments thereof, which are not fully paid when due. The Association shall have the power and right to bid in or purchase any Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, and to convey, or otherwise deal with the Unit acquired in such proceedings.

68. Purchaser's Liability for Assessments. - A purchaser's obligation to pay Assessments shall commence upon the date the purchaser becomes the Owner. For Assessment purposes, the date a purchaser becomes the Owner shall be determined as follows: (a) in the event of a conveyance or transfer by foreclosure, the date a purchaser becomes the Owner shall be deemed to be upon the expiration of all applicable redemption periods; (b) in the event of a conveyance or transfer by deed in lieu of foreclosure a purchaser shall be deemed to become the Owner of the Unit upon the execution and delivery of the deed or other instruments conveying or transferring title to the Unit, irrespective of the date the deed is recorded; and (c) in the event of conveyance or transfer by deed, a purchaser shall be deemed to become the Owner upon the execution and delivery of the deed or other instruments conveying or transferring title of the Unit, irrespective of the date the deed is recorded. However, such purchaser shall be entitled to rely upon the existence and status of unpaid Assessments as shown upon any certificate issued by or on behalf of the Association to such named purchaser pursuant to the provisions of this Second Amended Declaration.

69. Subordination of Association's Lien for Assessments. - By acceptance of the deed or other instrument of transfer of a Unit, each Owner irrevocably waives the Homestead Exemption provided by Part 2, Article 41, Title 38, Colorado Revised Statutes, as amended. The Association's perpetual lien on a Unit for Assessments shall be superior to all other liens and encumbrances except the following: (a) real property ad valorem taxes and special assessment liens duly imposed by a Colorado governmental or political subdivision or special taxing district, or any other liens made superior by statute; and (b) the lien of any first mortgagee except to the extent the Act grants priority for Assessments to the Association. Any first mortgagee who acquires title to a Unit by virtue of foreclosing a first mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the first mortgage, will take the Unit free of any claims for unpaid Assessments and Costs of Enforcement against the Unit which accrue prior to the time such first mortgagee acquires title to the Unit except to the extent the amount of the

extinguished lien may be reallocated and assessed to all Units as a Common Expense and except to the extent the Act grants lien priority for Assessments to the Association. All other Persons not holding liens described in this Section and obtaining a lien or encumbrance on any Unit after the recording of this Second Amended Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's lien for Assessments and Costs of Enforcement as provided in this Article, whether or not such consent is specifically set forth in the instrument creating any such lien or encumbrance. The sale or other transfer of any Unit shall not affect the Association's lien on such Unit for Assessments due and owing prior to the time such Purchaser acquired title and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof except (a) as provided above with respect to first mortgagees, (b) in the case of foreclosure of any lien enumerated in this section, and (c) as provided in the next section. Further, no such sale or transfer shall relieve the Purchaser of a Unit from liability for, or the Unit from the lien of, any Assessments made after the sale or transfer.

70. Statement of Status of Assessments. - Within fourteen (14) calendar days, or any longer period permitted by the Act, after receipt of written notice to the Managing Agent or, in the absence of a Managing Agent, to the Board of Directors and payment of a reasonable fee set from time to time by the Board of Directors as set forth in the Rules and Regulations, any Owner, holder of a Security Interest, title insurance company, prospective purchaser of a Unit or their designees shall be furnished a statement of the Owner's account setting forth: (a) the amount of any unpaid Assessments then existing against a particular Unit; (b) the amount of the current installments of the annual Assessment and the date that the next installment is due and payable; (c) the date or dates for payment of any installments of any special Assessments outstanding against the Unit; and (d) any other information, deemed proper by the Association, including the amount of any delinquent Assessments created or imposed under the terms of this Second Amended Declaration. Upon the issuance of such a certificate signed by a member of the Board of Directors, by an officer of the Association, or by a Managing Agent, the information contained therein shall be conclusive upon the Association as to the Person or Persons to whom such certificate is addressed and who rely on the certificate in good faith.

71. Liens. - Except for Assessment liens as provided in this Second Amended Declaration, mechanics' liens (except as prohibited by this Second Amended Declaration), tax liens, judgment liens and other liens validly arising by operation of law, and liens arising under Security Interests, there shall be no other liens obtainable against the Common Elements or against the interest of any Owner in the Common Elements, except a Security Interest in the Common Elements that may be granted by the Association pursuant to the requirements of the Act.

ARTICLE 10: MODIFICATIONS AND CONSTRUCTION

72. Structural Alterations and Exterior Appearance. - No structural alterations to any Unit, including the construction of any additional skylight, window, door or other alteration visible from the exterior of the Unit, or to any Common Element and, except if and to the extent expressly required to be permitted under the Act, no window coverings or other improvements, alterations or decorations visible from outside a Unit shall be made or caused to be made by any Unit Owner without the prior written approval of the Board of Directors. The Association may promulgate Rules and Regulations establishing procedures for the approvals required by this section. Such Rules and Regulations may include, but may not be limited to, requirements that the Owner submit (a) plans and specifications showing the nature, kind, shape, height, color, materials, and location of the proposed alterations in sufficient detail for the Association to review them; and (b) processing and reviewing fees, which may include any professional fees the Association might incur in retaining architects or engineers to review the plans and specifications. Unit Owners shall be responsible for ensuring that all alterations comply with the Condominium Documents and with all Applicable Laws and that all necessary approvals are obtained from governmental authorities. No approval given by the Association shall be deemed to imply that the Association has reviewed any applicable requirements or the requesting Owner's compliance therewith. Further, alteration of a Limited Common Element appurtenant to a Unit may be further restricted pursuant to the Rules and Regulations. Owners

completing any unapproved structural alteration or construction in violation of the Second Amended Declaration shall be required to restore the Unit to its pre-existing condition. In the event an Owner fails to do so, the Association shall have right but not the obligation to the restore such Unit and assess the Owner for the costs thereof.

73. Permitted Unit Alterations. – Upon approval by the Board of Directors, an Owner may, subject to the terms and provisions of this Second Amended Declaration, construct an alteration, modification or improvement to its Unit (a "Permitted Unit Alteration") that: (a) does not, either during construction or after completion, impair the structural stability, or building systems of or diminish the support of any portion of the Stonebridge Condominiums; and (b) does not adversely affect the Common Elements or any other Unit, except for such temporary increases in usage as are reasonable and necessary in view of the nature of the alteration or improvement; and does not, after completion, adversely affect in any manner the Common Elements or any other Unit. Any change, addition, alteration or improvement of any Unit that does not constitute a Permitted Unit Alteration is prohibited, unless otherwise permitted pursuant to this Article 10, and may be enjoined by the Association. In addition, and without limiting the foregoing, no Permitted Unit Alteration undertaken to any Unit shall, either during construction or after completion, change the appearance of the Common Elements.

74. Construction. – The Board of Directors is authorized to adopt Rules and Regulations concerning the construction and Permitted Unit Alteration, including but not limited to hours of construction. Any Owner performing any construction or demolition work relating to a Permitted Unit Alteration will comply with the following additional provisions: (a) such Owner will obtain all necessary permits and governmental authorizations for the Permitted Unit Alteration; (b) the Permitted Unit Alteration and the construction of it will comply with all applicable zoning and building codes and other applicable laws, ordinances and restrictive covenants; (c) such Owner will cause the Permitted Unit Alteration to be constructed and completed free and clear of all mechanics' and materialmen's liens and other claims; (d) during the construction process, such Owner will, to the extent consistent with good construction practice, keep any Common Elements area affected in a safe, neat and clean condition; (e) such Owner will reimburse the Association for all costs incurred by the Association in connection with the Permitted Unit Alteration, such as without limitation the increase in costs of trash removal due to the performance of the Permitted Unit Alteration work; (f) such Owner will pay or cause to be paid all costs of design and construction of the Permitted Unit Alteration, and (g) such Owner shall comply with all Rules and Regulations.

75. Improvements to Common Elements. In the event the Board of Directors makes a decision to make improvements to the Common Elements, if possible and practicable, those improvements shall be made in a consistent manner throughout the Common Elements and the costs of the installment of those improvements and subsequent maintenance, repair and replacement costs shall be allocated as set forth in Exhibit C.

76. Alteration of Common Elements and Limited Common Elements by Owner Prohibited. - No Owner or anyone acting on behalf of an Owner ("Owner's Permittee") may construct anything upon, remove anything from, or alter any of the Common Elements or Limited Common Elements, or paint, decorate or landscape any portion of the Common Elements or Limited Common Elements without approval of the Board of Directors. No Owner nor Owner's Permittee may do anything which adversely affects (a) the structural stability or building systems of the Stonebridge Condominiums; or (b) any Easement or right granted pursuant to this Declaration. The Association may construct an alteration or improvement to a Common Element or Limited Common Element (a "Common Alteration") if (a) the Common Alteration does not permanently impair the structural stability or building systems of or lessen the support of any portion of the Stonebridge Condominiums; and (b) the cost of the Common Alteration is included in a Budget that has been approved as required under the Second Amended Declaration.

ARTICLE 11: MECHANICS' LIENS

77. Mechanics' Liens. — No labor performed or materials furnished for use and incorporated in any Unit with the consent of or at the request of the Owner or the Owner's agent, contractor or subcontractor, shall be the basis for the filing of a lien against a Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanics' lien or for labor performed or for materials furnished in work on such Owner's Unit, against the Unit of another Owner or against the Common Elements, or any part thereof.

78. Enforcement by the Association. — At its own initiative or upon the written request of any Owner, if the Association determines that further action by the Association is proper, the Association shall enforce the indemnity provided by the provisions of this Article by collecting from the Owner of the Unit on which the labor was performed or materials furnished, the amount necessary to discharge by bond or otherwise any such mechanics' lien, to pay all costs and reasonable attorneys' fees incidental to the lien, and to obtain a release of such lien. If the Owner of the Unit on which the labor was performed or materials furnished refuses or fails to indemnify within fourteen (14) days after the Association shall have given notice to such Owner of the total amount of the claim, then the failure to so indemnify shall be a default by such Owner under the provisions of this Article, and such amount to be indemnified shall automatically become a Default Assessment determined and levied against such Unit, and enforceable by the Association pursuant to this Second Amended Declaration.

ARTICLE 12: USE RESTRICTIONS

79. Use and Occupancy of Units. - All Units shall be used for residential dwelling purposes only and shall otherwise be used only in accordance with the Condominium Documents and all Applicable Laws. Each Owner shall be entitled to the exclusive ownership and possession of his or her Unit, subject to the rights of the Association provided in this Second Amended Declaration. Each Unit shall be used and occupied only as a residence. Uses described as "day care" or "child care" facilities (whether licensed or unlicensed) are expressly prohibited in Units.

80. Management Agreements. - Upon taking title to a Unit, all Owners are required to enter with the Association either: (a) Rental Management Agreement; or (b) Non-Rental Management Agreement. Such agreements shall be in a form determined by the Board of Directors and shall provide for the Association, through the Managing Agent, to provide such management and leasing services. Fees for such services shall be in amounts determined by the Board of Directors.

81. Leasing and Occupancy of Units. An Owner wishing to lease its Unit may only do so through the Association-managed rental program and shall be required to enter a Rental Management Agreement with the Association, pay applicable fees to the Association, and comply with all Rules and Regulations concerning leasing. Leases of a Unit not through the Association-managed rental program are prohibited. The Board of Directors is hereby authorized in its discretion to determine and impose fees for leasing units, which may vary depending on the term of a lease. Any Owner that leases its Unit and fails comply with this provision and the Rules and Regulations promulgated pursuant thereto shall be subject to fines in an amount determined by the Board of Directors. As used in this section, the term lease means any agreement or arrangement for occupancy of the Unit by persons other than the Owner, regardless of term.

82. Compliance with Laws, Ordinances, and Association Documents. - No Unit shall be used for any purpose not permitted by the zoning ordinances of the Town of Snowmass Village or used for any purpose not permitted by this Second Amended Declaration, or not in compliance with any local, state or federal law, statute or other ordinance, regulation or rule.

83. Use of Common Elements. - Except as maybe permitted for the Limited Common Elements pursuant to the Condominium Documents, there shall be no obstruction of the Common Elements, nor shall

anything be kept or stored on any part of the Common Elements by any Person without the prior written approval of the Board of Directors. Nothing shall be altered on, constructed in, or removed from the Common Elements by any Owner without the prior written approval of the Board of Directors. Owners and Occupants shall not disturb, damage or access restricted access areas in the Common Elements and any other areas so designated on the Amended Condominium Map or in the Rules and Regulations.

84. Prohibition of Increases in Insurable Risks and Certain Activities. - Without the prior written approval of the Board of Directors, nothing shall be done or kept in any Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance or in an increase in the rate of the insurance on all or any part of the Stonebridge Condominiums or any part of the Stonebridge Condominiums over what the Association, but for such activity, would pay. Nothing shall be done or kept in any Unit or in or on the Common Elements which would be in violation of any Applicable Law. No damage to or waste of the Common Elements shall be committed by any Owner or Occupant, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by such Owner or an Occupant of such Owner's Unit, including all Costs of Enforcement incurred in the defense of claims arising by reason of this section or incurred in establishing the right to indemnification. Failure to so indemnify shall be a default by such Owner under this section and shall give rise to a Default Assessment against such Owner's Unit. At its own initiative or upon the written request of any Owner, if the Association determines that further action by the Association is proper, the Association shall enforce the foregoing indemnity.

85. Pet and Use Restrictions. - No animal pens, sheds, fences or other outbuildings or structures of any kind shall be erected by any Owner. No activity shall be allowed which interferes unduly with the peaceful possession and proper use of the Stonebridge Condominiums by the Owners, nor shall any fire hazard, safety hazard or unsightly accumulation of refuse be allowed. No lights shall be emitted which are unreasonably bright or cause unreasonable glare; no sound shall be emitted which is unreasonably loud or annoying; and no odor shall be emitted which is nauseous or unreasonably offensive to others. The Association may adopt additional restrictions regarding pets in the Rules and Regulations or in a separate pet policy.

86. Prohibition Against Timesharing. - No Owner shall offer or sell any interest in a Unit under a "timesharing," "vacation club," "private residence club," "non-equity club," "fractional plan" or "interval ownership" or membership plan, or any similar plan without the specific prior written approval of both the Board of Directors and sixty-seven (67%) percent of the Total Voting Points of the Owners. Any such approval shall be subject to the requesting Owner's compliance with the Condominium Documents and with all Applicable Laws.

87. Restriction on Signs. - No signs, billboards, posterboards or advertising structure of any kind shall be displayed, erected or maintained for any purpose whatsoever, except those expressly required to be permitted under the Act (such as certain flags and political signs), if any. Such approval shall be given only if such signs are of attractive design and as small a size as reasonably possible and shall be placed or located as directed or approved by the Board of Directors. Any signs which are permitted under the foregoing restrictions shall be erected or maintained only if and to the extent they are in compliance with all Applicable Laws.

88. Restrictions on Use of Parking and Storage Areas. - Unless written permission is granted by the Board of Directors, no parking shall be permitted at any location on the Common Elements unless specifically designated for parking by the Association, and no storage is permitted outside of Units except in storage areas specifically designated by the Association. No Owner may use any parking or storage space assigned to another without permission of the Owner to whom the parking or storage space is assigned and approval by the Association. No Owner may use any parking space for storage or use any parking or storage space in any manner that obstructs or interferes with any other Owner's parking or storage rights or that constitutes a safety hazard. The Association may promulgate Rules and Regulations governing parking and storage, and the Association is specifically authorized, but not obligated, to remove any abandoned or

inoperable vehicle, any vehicle parked in any area not designated for parking, any prohibited type of vehicle, any vehicle parked in any space that is assigned to another Person or reserved for a specific use, or any vehicle parked in an obstructing or hazardous manner, except if and to the extent such parking of such vehicle is expressly required to be permitted under the Act, and remove any improperly stored or hazardous materials, in all cases at the expense of the Owner or Occupant that owns such vehicle or materials. Expenses incurred by the Association in connection with such removal and storage, if necessary shall be a personal obligation of such Owner and, if the Owner fails to pay such amount within seven (7) days after notice to the Owner of the amount owed, then the failure to pay shall be a default by the Owner and such expenses shall automatically become a Default Assessment determined and levied against such Unit enforceable by the Association as provided in this Second Amended Declaration.

89. Pool and Pool Equipment Rooms. - The Association is irrevocably authorized as agent for the Owners to execute, deliver and perform a Conditional Non-Exclusive Easement of the pool equipment room space in the cabana constituting part of the Common Elements to the Stonebridge Inn Association, Inc., and the Terrace House Association, Inc., for a rental amount which may be nominal, for the purpose of installing, maintaining, repairing and replacing equipment for operation of the swimming pool constructed near the cabana.

90. Meeting Rooms. - The Association is irrevocably authorized as agent for the Owners to permit use of the meeting rooms and adjoining storage rooms constituting part of the Common Elements by third-parties pursuant to such arrangements, including free use, as the Association may consider appropriate.

91. Cabana. - The Association is irrevocably authorized as agent for the Owners to execute, deliver and perform a Conditional Non-Exclusive Easement for joint use of the cabana constituting part of the Common Elements and for use by the permitted users of the Stonebridge Inn and the Terrace House Condominiums pursuant to such Conditional Non-Exclusive Easement and other arrangements for sharing the costs of care, operation, management, maintenance and repair of the cabana as the Association may deem appropriate, and to modify from time-to-time any agreement made for such purposes.

92. Rules and Regulations. - The Association may make reasonable rules and regulations governing the use of the Units and of the Common Elements, which rules and regulations shall be consistent with the rights and duties established in this Second Amended Declaration. Such rules and regulations may include, without limitation: (a) regulations with respect to use of any automobile parking spaces which constitute Common Elements, and (b) assignment of particular portions of storage areas within the Common Elements for exclusive use by Owners of particular Condominium Units. The Association may suspend any Owner's voting rights in the Association during any period or periods during which such Owner fails to comply with such rules and regulations, or with any other obligations of such Owner under this Declaration. The Association may also take judicial action against any Owner to enforce compliance with such rules, regulations or other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

ARTICLE 13: EASEMENTS

93. Easement of Enjoyment for the Common Elements. - Every Owner shall have a perpetual non-exclusive right and easement for the use and enjoyment of, and for access over, across, and upon, any portion of the Common Elements designated for common use, but specifically excluding Common Elements designated for uses such as maintenance, storage, utility installations and service areas, which includes the benefit of a non-exclusive easement of access over, across and upon the Common Elements for the purpose of access to and from the Unit from public ways for both pedestrian and, where appropriate, vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to such Unit; provided, however, that such right and easement shall be subject to the following: (a) the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Second Amended Declaration, and the Amended Condominium Map; (b) the right of the Association from time to time to assign on an equitable basis portions of the Common Elements such as parking spaces or storage for the exclusive use of the Owner of a particular Unit by a resolution of the Board or other

appropriate written instrument; (c) the right of the Association to adopt, from time to time, Rules and Regulations concerning vehicular traffic and travel upon, in, under, and across the Stonebridge Condominiums; (d) the right of the Association to adopt, from time to time, such Rules and Regulations concerning the Stonebridge Condominiums as the Association may determine are necessary or prudent for the management, preservation, safety, control, orderly operation or use of the Stonebridge Condominiums for the benefit of all Owners; and (e) the agreement of all Owners, pursuant to this Second Amended Declaration, to use reasonable and good faith efforts not to interfere with the use and enjoyment of other Owners of the Common Elements and such other Owners' respective Units.

94. Easements for Encroachments. - The Stonebridge Condominiums, and all portions of it, is subject to easements created for encroachments between Units and the Common Elements as follows: (a) in favor of all Owners, so that they shall have no legal liability when any part of the Common Elements encroaches upon a Unit; (b) in favor of each Owner, so that the Owner shall have no legal liability when any part of such Owner's Unit encroaches upon the Common Elements or upon another Unit; and (c) in favor of all Owners, the Association, and the Owner of any encroaching Unit for the maintenance and repair of encroachments. Encroachments referred to in this section include, but are not limited to, encroachments caused by error or variance from the original plans in the construction of the Improvements or any Unit constructed on the Property, by error in the Amended Condominium Map, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any part of the Stonebridge Condominiums. Such encroachments shall not be considered to be encumbrances upon any part of the Stonebridge Condominiums; provided, however, that encroachments created by the intentional act of an Owner shall not be deemed to create an easement on the Property and shall be considered an encroachment upon the Stonebridge Condominiums. Such encroachment shall be removed at Owner's expense immediately upon notice from the Association. In the event such encroachment is not timely removed, the Association may cause the removal of the encroachment and the expense thereof shall be a Default Assessment to the Owner.

95. Utility Easements. - There is a general non-exclusive easement upon, across, over, in, and under all of the Units and Common Elements for the purpose of installation, replacement, repair, and maintenance of all utilities and services for the Owners, including but not limited to water, sewer, gas, telephone, electricity, security systems, cable television, cable, and other communication systems, and for ingress and egress in connection therewith. By virtue of this easement, it shall be expressly permissible and proper for the companies providing such utilities to erect and maintain the necessary equipment on the Common Elements and to affix and maintain electrical, communications, and telephone wires, circuits, and conduits under the Property. Any utility or service company using this general easement shall (a) use its best efforts to install and maintain the utilities provided without disturbing the uses of other utilities, the Owners, or Association; (b) complete its installation and maintenance activities as promptly as reasonably possible; and (c) restore the surface to its original condition as soon as possible after completion of its work. Should any utility or service company furnishing a service covered by this general easement request a specific easement by separate recordable document, Association shall have the right and authority, but not the obligation, to grant such easement upon, across, over or under any part or all of the Property without conflicting with the terms hereof. The easements provided for in this section shall in no way void, extinguish or modify any other recorded easement on the Property.

96. Emergency Access Easement. - A general easement is hereby granted to all police, sheriff, fire protection, ambulance, and all other similar emergency agencies or Persons to enter upon the Property in the proper performance of their duties.

97. Maintenance Easement. - An easement is hereby granted to the Association and any Managing Agent and their respective officers, agents, employees and assigns upon, across, over, in, and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Second Amended Declaration.

98. Easements of Access for Repair, Maintenance, and Emergencies. - Some of the Common Elements are or may be located within the Units or may be conveniently accessible only through the Units. The Owners and the Association shall have the irrevocable right, to be exercised by the Association as the Owners' agent, to have access to each Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit. Unless caused by the negligent or willful act or omission of an Owner or Occupant, damage to the interior of any part of a Unit resulting from the maintenance, repair, emergency repair, removal or replacement of any of the Common Elements or as a result of emergency repair within another Unit at the instance of the Association or of the Owners shall be a Common Expense. In order to effectuate this right, the Association shall retain a pass key or other access device to each Unit and an Owner shall not change the exterior lock or other access system on its Unit without the Board's prior written consent and providing the Association with a replacement key or access device to accommodate the new lock or other access system.

99. Additional Easements. - In the event an additional easement is reasonably requested by an Owner or the Association for purposes consistent with the intent of this Second Amended Declaration, each Owner and the Association, as applicable, will act reasonably and in good faith in evaluating the request and will not unreasonably withhold its consent to the granting of any such easement.

ARTICLE 14: INSURANCE

100. Coverage. - The Association has and shall maintain insurance coverage as set forth in this Article. The Association shall have the power and authority to obtain additional policies or coverages not specified herein in the Board's discretion. If such insurance is not reasonably available, or if any policy of insurance is cancelled or not renewed without a replacement policy, or if the Board of Directors determines that any insurance described herein will not be maintained, the Board of Directors shall promptly cause notice of that fact to be delivered to all Owners. The Board of Directors shall have broad discretion and authority to obtain insurance that provides more coverage or additional protection than specified in this Article 14.

(a) Property Insurance. The Association shall maintain property insurance on the Stonebridge Condominiums for covered losses in an amount not less than the full insurable replacement cost of the insured property, as determined by the Board of Directors, less applicable deductibles at the time insurance is purchased and at each renewal date, exclusive of land and other items normally excluded from property insurance policies. The Association's insurance policy shall be a bare walls policy that will rebuild the building structures but shall exclude the finished surfaces of perimeter and partition walls, floors, and ceilings within the Unit (i.e., paint, wallpaper, paneling, other wall coverings and window coverings, tile, carpet and any floor covering). The Association's policy shall also exclude appliances, improvements and betterments to a Unit made by Owners.

(b) Liability Insurance. The Association shall maintain commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Stonebridge Condominiums, insuring the Board of Directors, the Association, the Managing Agent, and their respective employees, agents and all Persons acting as agents therefor. The Association shall be included as an additional named insured. Owners shall be included as additional insured but only for claims and liabilities arising in connection with the ownership interest in, existence, use or management of the Common Elements or membership in the Association. The insurance shall cover claims of one or more insured parties against the other insured parties

(c) Fidelity Insurance. The Association shall maintain fidelity insurance on all persons who control or disburse funds of the Association. Coverage shall be in an amount determined by the Board of Directors. Any person employed as an independent contractor by the Association, including the Managing Agent, shall be an insured employee in the policy of fidelity insurance.

(d) **Directors and Officers Insurance.** The Association shall maintain directors and officers coverage for members of the Board of Directors, the Officers, and any other parties that the Board of Directors elects to cover by such insurance, which may include, without limitation, the Managing Agent, committee members, volunteers, and Association representatives.

(e) **Other Insurance.** The Board of Directors may also procure insurance against such additional risks of a type normally carried with respect to properties of comparable character and use that the Board of Directors deems reasonable and necessary in order to protect the Stonebridge Condominiums, the Association and the Owners.

(f) **Owners' Policies.** Each Owner of a Unit is encouraged to obtain additional insurance at such Owner's own cost for such Owner's own benefit covering all personal property within such Owner's Unit within the interior finished boundaries of such Owner's Unit. All such policies shall contain waivers of subrogation and provide further that the liability of the carriers issuing insurance to the Association shall not be affected or diminished by reason of any such insurance carried by any Owner. Each Owner waives and releases all claims against the Association to the extent such claim is covered by applicable insurance policies, regardless of whether damage, loss or injury arose from the negligence or breach of any agreement by the Association. Each Owner acknowledges that insurance obtained by the Association does not obviate the need for an Owner to obtain separate insurance for such Owner's benefit. Each Owner may also obtain general liability insurance at such Owner's own cost for such Owner's own benefit covering operations and activities within such Owner's Unit. Such coverage may also extend to cover any legal liability imposed on an Owner due to such Owner's interest in the Common Elements. The Association recommends that Owners obtain "loss assessment," "deductible assessment," "gap insurance," or similar insurance to provide coverage for any assessment to Owners for the Association's deductible, as provided for below.

101. **Required Provisions.** - All insurance policies carried by the Association pursuant to the requirements of this Second Amended Declaration must provide that: (a) each Owner is an insured Person under the policy with respect to liability arising out of such Owner's interest in the Common Elements or membership in the Association; (b) the insurer waives its rights to subrogation under the policy against any Owner or member of an Owner's household; (c) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, if any, will void the policy or be a condition to recovery under the policy; (d) if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the risks covered by the policy (other than an Owner's policy covering such Owner's personal property), the Association's policy provides primary insurance; (e) any loss covered by the policies must be adjusted with the Association; (f) the insurance proceeds for any loss shall be payable to an insurance trustee designated for that purpose, or otherwise to the Association and not to any holder of a Security Interest; (g) the insurer shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or holder of a Security Interest; and, (h) the insurer issuing the policy may not cancel or refuse to renew the policy until thirty (30) calendar days after notice of the proposed cancellation or non-renewal has been delivered to the Association and any Owner and holder of Security Interests to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

102. **Claims by an Owner.** - An Owner may file a claim against the policy of the Association to the same extent, and with the same effect, as if the Owner were a named insured if the following conditions are met: (a) the Owner has contacted the Board of Directors or Managing Agent in writing, and in accordance with any applicable association policies or procedures for owner-initiated insurance claims, regarding the subject matter of the claim, (b) the Owner has given the Association at least twenty-one (21) calendar days to respond in writing, and, if so requested, has given the Association's agent a reasonable opportunity to inspect the damage; and, (c) the subject matter of the claim falls within the Association's insurance responsibilities. The Association's insurer, when determining premiums to be charged to the Association, shall not take into account any request by an Owner for a clarification of coverage.

103. Adjustment of Claims. - The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles a property insurance claim, it shall have the authority to assess Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association.

104. Copies of Policies. - A copy of any insurance policy obtained by the Association shall be made available for inspection by any Owner at reasonable times subject to reasonable advance request by Owner.

ARTICLE 15: RESTORATION UPON DAMAGE OR DESTRUCTION

105. Duty to Restore. - Any portion of the Stonebridge Condominiums, for which the Association is required to carry insurance under the Act, or for which insurance carried by the Association is in effect, that is damaged or destroyed must be repaired or replaced promptly by the Association unless: (a) repair or replacement would be illegal under applicable laws or prohibited under the Condominium Documents; or, (b) sixty-seven (67%) percent of the Voting Points of the Owners vote not to rebuild (unless a lesser percentage is required by Applicable Law and cannot be varied by agreement, in which case such lesser percentage shall apply but such lesser percentage shall be required to include the vote not to rebuild of every Owner of a Unit or Limited Common Element that will not be rebuilt). In the event the Stonebridge Condominiums are not repaired or replaced as allowed by subsections (a) and (b) above, then the Real Estate in the Stonebridge Condominiums shall be sold and the proceeds distributed pursuant to the procedures provided for in the Act for termination of condominium projects.

106. Cost. - The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

107. Plans. - The Property must be repaired and restored in accordance with either the plans and specifications shown on the Amended Condominium Map, or other plans and specifications which have been approved by the Board of Directors and any percentage of Owners required to approve the same under the Act.

108. Replacement of Less Than Entire Property. - If only a portion of the Stonebridge Condominiums is repaired or replaced, the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Stonebridge Condominiums and any remaining proceeds (after any other distribution required by applicable laws) shall be distributed or credited as follows: (a) the insurance proceeds attributable to a Unit and Limited Common Elements that are not rebuilt must first be distributed or credited to the Owner of the Unit and to the Owner of the Unit to which the Limited Common Elements were allocated, or to holders of Security Interests, as their interests may appear; (b) the remainder of the proceeds must be distributed or credited to each Owner or holder of a Security Interest, as their interests may appear, in proportion to the Voting Points in the Common Elements of all the Units; and (c) if the Owners vote not to rebuild a Unit, the Voting Points of the Unit shall be reallocated as if the Unit had been condemned, and the Association promptly shall prepare, execute and record an amendment to this Second Amended Declaration reflecting the reallocation.

109. Insurance Proceeds. - The President shall be the insurance trustee and shall hold any insurance proceeds in trust for the Association, Owners, and holders of Security Interests as their interest may appear. Subject to the provisions of this Second Amended Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged property, and the Association, Owners, and holders of Security Interests are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the Stonebridge Condominiums are terminated, in which event the surplus proceeds will be distributed as provided in this Second Amended Declaration and the Act.

110. Certificates by the Board of Directors. - The President as insurance trustee may rely on the following certifications in writing made by the Board of Directors: (a) whether or not damaged or destroyed property is to be repaired or restored; and (b) the amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

111. Certificates by Title Insurance Companies. - If payments are to be made to Owners or holders of Security Interests, the Board of Directors, and the President as insurance trustee shall obtain and may rely on a title insurance company title insurance policy based on a search of the Records from the date of recording of this Second Amended Declaration stating the names of the Owners and the holders of Security Interest.

ARTICLE 16: REMEDIES

112. Remedies. – The Association shall have the following remedies:

(a) The Association Has All Rights in Law and in Equity. The Association shall have all other rights and remedies available to it under this Second Amended Declaration, at law or in equity. Notwithstanding anything to the contrary contained in this Second Amended Declaration, any sums paid to the Association by an Owner shall be applied in the following order: first, to costs incurred by the Association to collect outstanding unpaid sums due to the Association; second, to satisfy any outstanding Default Assessments or other fines; third, to satisfy any outstanding interest accrued on any assessed but unpaid Assessments; and fourth, to satisfy any assessed but unpaid Assessments other than Default Assessments.

(b) Remedies to the Association. In addition to all other remedies provided to the Association in this Second Amended Declaration, if an Owner fails to perform or observe any covenant or condition to be performed or observed by such Owner under this Second Amended Declaration or any other Condominium Document, the Association shall have the following special rights and remedies: (i) The Association may, but is not obligated to, cure such failure to comply at the Owner's sole cost and expense. If the Association cures any such failure to comply, the Owner shall pay to the Association the amount of all costs incurred by the Association in connection therewith in accordance with a written notice of a Default Assessment therefor from the Association. (ii) The Association may, after notice and opportunity to be heard, fine the Owner, as a Default Assessment, a daily amount designated by the Board from time to time, per day that such violation remains uncured for each violation. The Owner shall pay any such fine to the Association in accordance with as written notice of a Default Assessment therefor from the Association. (iii) With respect to an Owner's failure to pay an installment of any Assessment, the Association may accelerate the due date for the payment of the full amount of the Assessment.

(c) The Association's Rights Are Cumulative. All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. Further, the Association may adopt such Rules and Regulations as the Board of Directors deems necessary or appropriate to administer and enforce the terms and conditions of this Second Amended Declaration and the other Condominium Documents.

113. Attorney Fees. - In the event of any litigation under or with respect to this Second Amended Declaration or any other Condominium Document, the substantially prevailing party shall be entitled to recover from the non-prevailing party all of its costs and expenses in connection therewith, including the fees and disbursements of any attorneys, accountants, engineers, appraisers or other professionals engaged by the substantially prevailing party.

114. Interest. - If an Owner fails to pay to the Association any Assessment or other amount due to the Association as and when the same becomes due, the Owner shall pay to the Association interest on such unpaid amount at the rate the Board of Directors may establish from time to time, from the due date of such unpaid amount until the date paid.

115. Nonwaiver. - Failure by the Association or any Owner to enforce any covenant, condition, restriction, reservation, easement, assessment, charge, lien or other provision of this Amended Declaration or any other Condominium Document shall in no way be deemed to be a waiver of the right to do so thereafter.

ARTICLE 17: DURATION OF COVENANTS; AMENDMENT AND TERMINATION

116. Term. - The covenants, conditions, restrictions, reservations, easements, assessments, charges, and liens set forth in this Second Amended Declaration shall run with and bind the Property until this Second Amended Declaration is terminated pursuant to the terms hereof.

117. Amendment of Second Amended Declaration. - This Second Amended Declaration may be further amended as follows:

(a) Number of Votes. Except as otherwise expressly permitted or restricted by this section, Amendments to this Second Amended Declaration may be made by a vote or agreement of a Majority of Owners. Notwithstanding the foregoing provision, the percentage of the Voting Points necessary to amend a specific clause or provision of this Second Amended Declaration shall not be less than the percentage of affirmative voting power prescribed for action to be taken under that clause or provision.

(b) Amendment to Second Amended Declaration. Except to the extent otherwise expressly permitted or required in this Second Amended Declaration, this Second Amended Declaration may be amended to change the uses to which any Unit is restricted only by a vote or agreement of Owners holding at least sixty-seven percent (67%) of the Voting Points.

(c) Amendment to Boundaries or Voting Points. Except to the extent otherwise expressly permitted or required in this Second Amended Declaration or under the Act, this Second Amended Declaration may be amended to increase the number of Units, or change the boundaries of any Unit or the Voting Points of a Unit only by a vote or agreement of Owners holding at least sixty-seven (67%) percent of the total Voting Points.

(d) Amendments by the Association. To the extent that this Second Amended Declaration and the Act expressly permit or require amendments that may be executed by Association, this Second Amended Declaration may be amended by amendments executed solely by Association. To the extent not prohibited by the Act, Association may execute any amendment required or necessary to comply with applicable law and any amendment required or appropriate to comply with the secondary mortgage market or Colorado state regulatory requirements.

118. Amendment of Other Condominium Documents. - The Articles of Incorporation and Bylaws may be amended in accordance with the terms of such documents and the Colorado Nonprofit Corporation Act. The Rules and Regulations may be amended as determined by the Board of Directors.

119. Execution of Amendments and Expenses. - Any amendment shall be prepared, executed, and recorded either by an officer of the Association designated for that purpose or, in the absence of a designation, by the President of the Association. All expenses associated with preparing and recording an amendment to this Second Amended Declaration shall be the sole responsibility of: (a) any Owners desiring an amendment as provided for in this Second Amended Declaration or the Act; (b) the Association, to the extent the right to amend this Second Amended Declaration is reserved to the Association and exercised by the Association; or (c) in all other cases by the Association as a Common Expense.

120. Recording of Amendments. - Any amendment to this Second Amended Declaration made in accordance with this Article shall be immediately effective upon the recording of the executed amendment in the Records together with a duly authenticated certificate of the Association or the Secretary of the Association, as applicable, stating that the required vote of Owners, if any, was obtained and is on file in

the office of the Association or was not required to be obtained pursuant to this Second Amended Declaration or the Act.

121. Rights of Secured Lenders. - Secured lenders, including first mortgagees and junior mortgagees, which are holding a mortgage, deed of trust, or other security instrument, shall have no rights under this Second Amended Declaration. To the maximum extent permitted by law, the rights shall be solely in the Association, the Board of Directors and Officers, and the Owners and their designated agents.

ARTICLE 18: MISCELLANEOUS

122. Enforcement. - The provisions of the Act and the provisions of the Condominium Documents may be enforced by the Association through proceedings at law or in equity against any Unit, Owner, or Person that is subject to this Second Amended Declaration that has violated or is violating or attempting to violate such provisions, all as more specifically set forth in the Act.

123. Notices. - To the extent allowed by law, any notice permitted or required to be given under this Second Amended Declaration or the Bylaws to Owners may be given either personally or by mail or email, to the contact information provided by Owner and on file with the Association. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the Unit of such Person if no address has been given to the Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. If served by email, such notice shall be deemed given upon sending. Owners have the affirmative duty to keep the Association timely informed of their contact information including email address. Such contact information may be changed from time to time by notice in writing to the Association. In the case of notices to the Association or to the Board, such notice shall be sent to the Association, at P.O. Box 5990, Snowmass Village, Colorado, 81615 and to owners@stonebridgecondominiums.com.

124. Severability. - The provisions of this Second Amended Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions of this Second Amended Declaration by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which provisions shall remain in full force and effect.

125. Electronic Signatures. - Electronic signatures on pdf files or other digital documents are expressly authorized among all Owners and between Owners and the Association and also between the Association and Members.

126. Number and Gender. - Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

127. Captions. - The captions to the Articles and sections are only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Second Amended Declaration or the intent of any provision of this Second Amended Declaration.

128. Conflicts in Legal Documents. - In case of conflicts between the provisions in this Amended Declaration and the Articles of Incorporation or the Bylaws, this Second Amended Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

129. Exhibits. - All the Exhibits identified or described in this Second Amended Declaration are incorporated in this Second Amended Declaration by this reference as if the same appeared herein verbatim.

130. Choice of Law. - This Second Amended Declaration shall be construed and interpreted in accordance with the laws of the State of Colorado, and specifically, the provisions of the Act and not the general common law, including remedies, of tenancy-in-common.

131. No Third-Party Beneficiaries. - This Second Amended Declaration is submitted, imposed, and declared solely for the benefit of Association, Owners, and their respective successors, assigns, heirs, executors, administrators, and personal representatives. No party shall be deemed a third-party beneficiary of this Second Amended Declaration.

IN WITNESS WHEREOF, the undersigned affirm that this Second Amended and Restated Declaration was approved by at least sixty-seven percent (67%) of the Voting Points and executed as of the date written above.

~ Signature Pages Follow ~

EXHIBIT A TO SECOND AMENDED AND RESTATED CONDOMINIUM DECLARATION

LEGAL DESCRIPTION (from Deed recorded as Reception #138451)

A parcel of land being part of Tract 45, Section 1, Township 10 South, Range 86 West of the 6th Principal Meridian, Pitkin County, Colorado, described as follows: Beginning at a point whence the Southwest corner of Section 1, T.10S., R.86W. bears S08⁰-51'-57"W, 1641.96 feet: Thence N59⁰-39'-42"W, 133-40 feet, Thence N30⁰-20'-18"E, 42.87 feet, Thence N59⁰-39'-42"W, 0.58 feet, Thence N30⁰-20'-18"E, 21.75 feet, Thence S59⁰-39'-42"E, 119-44 feet, Thence S30⁰-20'-18"W, 34.83 feet, Thence S59⁰-39'-42"E, 14-54 feet, Thence S30⁰-20'-13"W, 29-79 feet more or less to the point of beginning.

EXHIBIT B TO SECOND AMENDED AND RESTATED CONDOMINIUM DECLARATION

TABLE OF VOTING POINTS

The Project includes Units of seven different types. For the purpose of computing the undivided interests in Common Elements appurtenant to each type of Unit, the various types of Units have been assigned points as follows:

- Type 1:** A Unit on a single floor, containing two bedrooms, a sleeping den, and three baths, and containing approximately 1,416 square feet of floor space. Condominium Unit 600 as shown on the Condominium Map is a Type 1 Unit and is representative of the style, layout and characteristics of a Type 1 Unit. **Points: 119**
- Type 2:** A Unit containing four bedrooms and three or four baths, and containing approximately 2,066 square feet of floor space. Condominium Unit 612 as shown on the Condominium Map is a Type 2 Unit and is representative of the style, layout and characteristics of a Type 2 Unit. **Points: 175**
- Type 3:** A Unit on one floor with a loft above, containing four bedrooms and three or four baths, and containing approximately 1,956 square feet of floor space. Condominium Unit 630 as shown on the Condominium Map is a Type 3 Unit and is representative of the style, layout and characteristics of a Type 3 Unit. **Points: 165**
- Type 4:** A Unit on a single floor, containing one bedroom and one or two baths, and containing approximately 750 square feet of floor space. Condominium Unit 801 as shown on the Condominium Map is a Type 4 Unit and is representative of the style, layout and characteristics of a Type 4 Unit. **Points: 64**
- Type 5:** A compact Unit on a single floor, containing one bedroom and one bath, and containing approximately 750 square feet of floor space. Condominium Unit 700 as shown on the Condominium Map is a Type 5 Unit and is representative of the style, layout and characteristics of a Type 5 Unit. **Points: 53**
- Type 6:** A Unit on one floor with a loft above, containing two bedrooms and two baths, and containing approximately 1,170 square feet of floor space. Condominium Unit 820 as shown on the Condominium Map is a Type 6 Unit and is representative of the style, layout and characteristics of a Type 6 Unit. **Points: 101**
- Type 7:** Condominium Unit 915 as shown on the Condominium Map is an auxiliary unit containing one bedroom and one bathroom, and containing approximately 1,496 square feet of floor space. **Points: 71**

**EXHIBIT C TO SECOND AMENDED AND RESTATED CONDOMINIUM DECLARATION
SCHEDULE OF UNIT TYPES**

<u>Unit No.</u>	<u>Interest</u>	<u>Unit No.</u>	<u>Interest</u>
600	119/9116	800	064/9116
601	119/9116	801	064/9116
610	119/9116	802	064/9116
611	119/9116	803	064/9116
612	175/9116	804	064/9116
613	119/9116	805	064/9116
620	119/9116	806	064/9116
621	119/9116	807	064/9116
622	119/9116	810	064/9116
623	119/9116	811	064/9116
624	175/9116	812	064/9116
625	119/9116	813	064/9116
630	165/9116	814	064/9116
631	165/9116	815	064/9116
632	119/9116	816	064/9116
633	119/9116	817	064/9116
634	119/9116	820	101/9116
635	119/9116	821	064/9116
642	165/9116	822	101/9116
643	165/9116	823	064/9116
644	165/9116	824	101/9116
645	165/9116	825	064/9116
700	053/9116	826	101/9116
701	064/9116	827	064/9116
702	064/9116	900	119/9116
703	064/9116	901	119/9116
704	064/9116	910	119/9116
705	064/9116	911	119/9116
707	064/9116	912	175/9116
710	053/9116	913	119/9116
711	064/9116	915	126/9116
712	064/9116	920	119/9116
713	064/9116	921	119/9116
714	064/9116	922	119/9116
715	064/9116	923	064/9116
716	064/9116	925	175/9116
717	064/9116	930	165/9116
719	064/9116	931	165/9116
720	053/9116	932	119/9116
721	101/9116	933	119/9116
722	064/9116	935	119/9116
723	101/9116	942	165/9116
724	064/9116	943	165/9116
725	101/9116	945	165/9116
726	064/9116		
727	101/9116		
729	101/9116		