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AMENDMENT
TO
DECLARATION OF
THE LINKS AT SKYLAND,
A COMMON INTEREST COMMUNITY

The Links at Skyland Association, a Colorado nonprofit corporation, hereby certifies, in accordance with Section 17.2 of the Declaration of the Links at Skyland, a Common Interest Community, bearing Reception No. 467904 in the office of the Gunnison County Clerk and Recorder ("Declaration"), that the following Amendment has been approved by Owners of Townhomes holding not less than sixty-seven percent (67%) of the votes possible to be cast under the Declaration at a meeting of the Owners called for that purpose:

Article 8 and Article 9 of the Declaration are hereby revised to read as follows:

## ARTICLE 8 MAINTENANCE

Section 8.1 Maintenance by Owners. Each Owner shall maintain and keep in repair the interior of his Townhome, including the fixtures thereof to the extent current repair shall be necessary in order to avoid damaging other Owners, and the surfaces (excluding the roofing elements) of Limited Common Elements allocated to the Townhome. All fixtures and equipment installed within the Townhome commencing at a point where the utilities enter the Townhome shall be maintained and kept in repair by the Owner of such Townhome. An Owner shall do no act or work that will impair the structural soundness or integrity of the Common Elements or impair any easement. Each Owner shall be responsible for the maintenance of all interior walls of his Townhome, and the surface materials thereon such as plaster, drywall, paneling, wallpaper, paint; surface materials for all walls, ceilings, and floors; doors and windows (including all component parts of the window system within the Townhome), and garage door operating system. Excluded are exterior side of front door and garage door which shall be the responsibility of the Association.

Section 8.2 Owner's Failure to Maintain or Repair. In the event that a Townhome (including the allocated Limited Common Element) is not properly maintained and repaired, and if the maintenance responsibility for the unmaintained portion of the Townhome lies with the Owner of the Townhome, or in the event that the Townhome is damaged or destroyed by an event of casualty of an Owner who does not take reasonable measures to diligently pursue the repair and reconstruction of those portions of the damaged or destroyed Townhome for which the Owner is responsible to substantially restore to the same condition in which they existed prior to the damage or destruction, then the Association, after notice to the Owner and with the approval of the Executive Board shall have the right to enter upon the Townhome to perform such work as is reasonably required to restore the Townhome to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Townhome, upon demand. All unreimbursed costs shall be a lien upon the Townhome until reimbursement is made. The lien may be enforced in the same

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manner as a lien for an unpaid Assessment levied in accordance with Article 10 of this Declaration.

- Section 8.3 Maintenance by Association. The Association shall be responsible for the maintenance and repair of the Common Elements, whether located inside, or outside of Townhomes which (unless necessitated by damage caused by the negligence, misuse or tortious act of an Owner or Owner's Agent as set forth in Section 8.4 below), shall be the Common Expense of all Owners. This maintenance shall include, but shall not be limited to, upkeep, repair and replacement, of common area landscaping (except replacement of gardens in front of each unit), exterior walls, roofs, gates, signage, irrigation systems, sidewalks, driveways, streets, and improvements, if any (which shall include without limitation snow removal services unless performed by another private or public organization formed for such purposes), located in the Common Elements. In the event the Association does not maintain or repair the Common Elements, Declarant shall have the right, but not the obligation, to do so at the expense of the Association.
- Section 8.4 <u>Association Maintenance as Common Expense</u>. The cost of maintenance and repair by the Association shall be a Common Expense of all of the Owners, to be shared by each Owner according to the Allocated Interests therefor set forth on Exhibit B. Damage to the interior or any part of a Townhome resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Townhome at the instance of the Association shall also be Common Expense of all of the Owners. However, if such damage is caused by negligent or tortious acts of an Owner, members of the Owner's family, or the Owner's agent, employee, invitee, licensee or tenants (Collectively "Owner's Agents), then such Owner shall be responsible and liable for all of such damage and the cost thereof, which must be timely paid.
- Section 8.5 <u>Easement for Maintenance</u>. Each Owner and the Association shall have the irrevocable right, to be exercised by the Manager, the Executive Board or officers or employees of the Association, to have access to each townhome from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements or another Townhome. In the event insurance proceeds under Article 9 are payable to an Owner but the maintenance responsibility of the area to which such proceeds relate is the Association's, the Association shall complete any such repair or replacement at the Owner's expense.
- Section 8.6 <u>Association's right to Grant Owner's Maintenance Area</u>. The Association reserves the right to grant the maintenance responsibility of certain areas on each Townhome to the Owner, the Owner is obligated to accept said maintenance responsibility, provided said assignment is done in a uniform and nondiscriminatory manner.
- Section 8.7 <u>Limited Common Element Damage</u>. In the event of damage or destruction of a Limited Common Element from the negligence or tortious acts of an Owner or an Owner's guests or invitees, the then Owners of the Townhomes to which the Limited Common Element is attributable shall bear the expense to repair or rebuild the Limited Common Element to its previous condition.



Section 8.8 <u>Association Power</u>. The Association shall have the right and power to prohibit storage or other activities deemed unsafe, unsightly, unreasonably noisy or otherwise offensive to the senses and perceptible from another Townhome or the Common Elements. No Owner shall make any addition or other alternation to any portion of the Common Elements without the express consent of the Executive Board.

# ARTICLE 9 INSURANCE

- Section 9.1 <u>General Insurance Provisions</u>. The Association shall acquire and pay for, out of the Assessments levied under Article 10 below, the following insurance policies carried with reputable insurance companies authorized to do business in Colorado:
  - 9.1.1 Hazard Insurance Coverage: Association. The Association shall obtain insurance for fire, with extended coverage, vandalism, malicious mischief, all-risk, blanket valuation, replacement cost, agreed amount, special condominium, building ordinance and inflation guard endorsements attached, in amounts determined by the Executive Board to represent not less than the full then current insurable replacement cost of the buildings located on the Property including all of the Townhomes and Common Elements, from the unfinished bare surfaces outward, including all unfinished interior perimeter walls and ceiling, roof, studs, all structural members, exterior wall finish, subflooring, windows, exterior doors (front, deck, garage), exterior lighting, Common Elements (roofs, interior and exterior vertical and horizontal beams and columns, exterior facade of building, parking areas), Limited Common Elements (decks, porches, landscaping including timber terraces and timber enclosures around supporting columns, driveways), building excavations and foundations. Maximum deductible amounts for such policy shall be the lesser of ten thousand dollars (\$10,000) or one percent (1%) of the replacement value of buildings. Such hazard insurance policy must be written by an insurance carrier that has an "A" or better rating category.
  - 9.1.2. Comprehensive Liability: Association. Comprehensive general public bodily injury liability and property damage liability insurance for the Project in such amounts as the Executive Board deems desirable, provided that such coverage shall be for at least one million dollars (\$1,000,000) for bodily injury, including deaths and property damage arising out of a single occurrence with an aggregate limit of two million dollars (\$2,000,000), insuring the Association, the Executive Board, the Manager or managing agent, or both, if any, and their respective agents and employees, and the Owners from liability in connection with the operation, maintenance and use of Common Elements and must include a "severability of interest" clause or specific endorsement. Such coverage shall also include legal liability arising out of lawsuits related to employment contracts of the Association and such other risks as are customarily covered with respect to housing projects similar to the Project in the area including automobile liability insurance if appropriate.

The insurance policies may be carried in blanket policy form naming the Association as the insured, for the use and benefit of and as attorney-in fact for the Owners. Each Owner shall be an insured person under the policy with respect to liability

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arising out of such Owner's interest in the Common Elements or membership in the Association. Each Mortgagee and its successors or assigns shall be a beneficiary of the policy in the percentages of Common Expenses for the Townhome which the Mortgage encumbers. The insurance company shall waive its rights of subrogation under the insurance policy against any Owner or member of the Owner's household. No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, shall void the insurance policy or be a condition to recovery under the insurance policy. If, at the time of a loss under an insurance policy described above there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association's policy shall provide primary insurance.

9.1.3. <u>Hazard and Comprehensive Liability Coverage: Owner.</u> Owner is responsible for all Hazard Insurance coverage for the improvements to the building from the unfinished bare surfaces inward, including interior walls and floors, partitions, decorated and finished surfaces of all interior walls, floors, and ceilings, interior doors, garage door operating system, and other elements or materials comprising a part of the Townhomes and including any fixtures, equipment (including Boiler Heating System), or other personal property within the Townhomes.

Owner is responsible for all Comprehensive Liability coverage for the interior of the townhome, and the exterior of the townhome concerning the Limited Common Elements associated therewith; and workman's compensation insurance covering work within each Townhome or on the Limited Common Elements associated therewith. The minimum requirement for Comprehensive Liability Insurance coverage is one million dollars (\$1,000,000) per occurrence. Proof of coverage required to be sent to the Association the beginning of each fiscal year (July 1 - June 30).

Section 9.2 <u>Certificates of Insurance; Cancellation</u>. Certificates of Insurance shall be issued to each Owner and Mortgagee upon request. All Certificates policies of required insurance to be earned under this Article 9 shall provide a standard non-contributory mortgagee clause in favor of each First Mortgagee of a Townhome and shall provide that such policy cannot be canceled by the insurance company without at least thirty (30) days prior written notice to each Owner and each First Mortgagee whose address is shown in the records maintained pursuant to the Association's documents. If the insurance described in this Article 9 is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners and to all First Mortgagees.

Section 9.3 Insurance Proceeds. Any loss covered by the property insurance policy described in Section 9.1 must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and Mortgagees as their interests may appear. Subject to the provisions of Section 9.5 below, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.



- Section 9.4 <u>Insurer Obligation</u>. An insurer that has issued an insurance policy for the insurance described in Sections 9.1 and 9. 7 shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses.
- Section 9.5 Repair and Replacement. Any portion of the Common Elements for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association unless:
  - 9.5.1 The common interest community created by this Declaration is terminated in which case the approval must first be obtained of fifty-one percent (51%) of First Mortgages of Townhomes subject to. First Mortgages (which percentage is measured by votes allocated to such Townhomes);
  - 9.5.2 Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
  - 9.5.3 There is a vote not to rebuild by (a) eighty percent (80%) of the Owners entitled to vote and fifty-one percent (51%) of First Mortgages of Townhomes subject to First Mortgages (which percentage is measured by votes allocated to such Townhomes) and (b) every Owner and First Mortgagee of a Townhome or assigned Limited Common Element that will not be rebuilt; or
  - 9.5.4 Prior to the conveyance of any Townhome to a person other than Declarant, the Mortgagee holding a Mortgage on the damaged portion of the Common Elements rightfully demands all or a substantial part of the insurance proceeds.

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The cost of repair or replacement of Common Elements in excess of insurance proceeds and reserves is a Common Expense. If all the Common Elements are not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project, and except to the extent that other persons will be distributees, the insurance proceeds must be distributed to all the Owners or Mortgagees, as their interests may appear in proportion to each Townhome's Common Expenses Allocated Interests.

- Section 9.6 <u>Common Expenses</u>. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are Common Expenses provided, however, that if the Association's fire and extended coverage insurance covers fixtures, equipment or other property within some but not all of the Townhomes (as required by any Agency including FNMA or FHLMC), the Association reserves the right to charge the Owner of such Townhomes for which the Association provides additional insurance coverage, as amount equal to the premium attributable to such additional insurance coverage.
- Section 9.7 <u>Fidelity Insurance</u>. The Association shall maintain fidelity insurance to protect against dishonest acts on the part of its officers, directors, trustees and employees and on the part of all others including any manager hired by the Association, who handle or are responsible for handling the funds belonging to or administered by the Association, in such amounts as are deemed appropriate by the Executive Board.
- Section 9.8 <u>Workers' Compensation Insurance</u>. The Executive Board shall obtain workers' compensation or similar insurance with respect to its employees, if applicable, in the amounts and forms as may now or hereafter be required by law.
- Section 9.9 Other Insurance. The Association shall maintain flood insurance if any part of the Project is located within a Special Flood Hazard Area on a Flood Insurance Rate Map, equal to the lesser of one hundred percent (100%) of the insurance value of the Project or the maximum coverage available under the appropriate National Flood Insurance Program. The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Executive Board may deem appropriate on behalf of Directors against any liability asserted against a Director or incurred by him in his capacity as a Director. The Executive Board may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties or as requested by any Agency.

Dated the $\frac{\sqrt{5}^{+}}{2}$ da	y of March	, 2022.
The Links at Sky a Colorado nonp	land Association,	
By: <u>I Mul</u> Anne Gray	<u> Lay</u>	, President

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#### Secretary's Certification

The undersigned, Beth D. Brady, Secretary of The Links at Skyland Association, a Colorado
nonprofit corporation, hereby certifies that the foregoing Amendment was approved by a
sufficient number of Owners at a meeting held for that purpose on the day of
March, 2022.
By: Beth D. Brady, Secretary
Befh D. Brady, Secretary