

Responsible Governance Policy #13 Construction Rules

1. Purpose and Application. The purpose of these rules is to reduce the impact of Construction on the Common Elements, and on other Owners, tenants and guests. These Construction Rules apply to all Owners of a Unit, tenants, and occupants of a Unit, and to their respective contractors and subcontractors performing work in a Unit, Limited Common Element, or Common Element if such work has the potential to create debris, to disturb other occupants in the Community, require cleaning of the Common Elements, possibly impact structural matters of the Unit or the building, possibly impact utilities servicing the Unit or the building, and/or damage the Common Elements (hereafter, "Construction"). "Construction" does not include basic maintenance and minor repairs that do not have the potential to create debris, to disturb other occupants in the Community, require cleaning of the Common Elements, possibly impact structural matters of the Unit or the building, possibly impact utilities servicing the Unit or the building, and/or damage the Common Elements. These Construction Rules specifically apply to all persons performing work, including but not limited to contractors, subcontractors and caretakers.

2. Owners Responsible. Owners are responsible for the activities of their contractors and subcontractors. The Owner is responsible for costs related to damage to, and cleaning of, Common Elements to the extent caused by the Owner's/contractor's Construction activities.

3. Communications. All communications between Owner and/or its contractor and the Association shall initially be directed through the Association Manager. The Association may require that the Owner reimburse the Association's cost of Management's time (charged at reasonable hourly rates), to respond to the Owner's or its contractor's Construction related questions and requests, including providing access to Common Elements and restricted areas. The Owner shall also reimburse the Associations' actual legal fees, any consultant's fees (including engineering fees or other construction consultant fees) and costs incurred.

4. Work.

A. No work may be commenced absent written approval by the Association Board.

B. No work may be commenced absent the Association and Owner signing a Construction Agreement substantially in accordance with the form provided on the Association website. The Owner shall first apply to the Association in writing for permission to perform the work and supply the Association with proposed plans for the work. Such plans shall be prepared and stamped by a licensed architect. Any structural modifications to the Unit or associated Common Elements must be presented in plans prepared and stamped by a licensed engineer.

C. At least ten (10) business days prior to starting Construction, the Owner must notify the Manager in writing with the following information:

- i. A brief description of the Construction.
- ii. Whether there will be the need to store materials on the Common Elements or Limited Common Elements.
- iii. A plan for removal and disposal of materials and debris, which must be approved by the Manager prior to the start of Construction, as set forth below.
- iv. Whether the Construction will involve moving, altering, shutting down, isolating or otherwise impacting any utility lines or equipment, including Common Element utility lines or equipment, such as water lines, sewer lines, gas lines, smoke detectors, sprinkler systems, or other life/safety systems (collectively “Association Systems”).
- v. Names and contact information (including cell phone and email) of all contractors who will be performing Construction.
- vi. Start dates and anticipated completion date of Construction; if there is a delay during the progress of the work, then owners/contractors must notify the Manager in writing when the work starts again and any changed completion date.
- vii. If the Construction involves any Common Element, a copy of the written approval of such work by the Association’s Board of Directors.
- viii. Proof of ownership of the Unit.

D. The Owner performing construction shall be responsible for any damage to, or cleaning of, the Common Elements, including but not limited to garage, elevator, lobby, hallways and doors, as well as reimbursement of all other Association fees and costs incurred. Upon completion of Construction, the Owner shall notify the Association, through the Manager, in writing. The Manager or its designee shall conduct a walk-through of the Unit and those areas of the project impacted by the construction to inspect for any damage.

E. Prior to starting Construction work, the Owner shall ensure that all contractors provide the Association certificates of comprehensive liability insurance of at least \$1 million and workers compensation insurance in at least minimum statutory amounts. Such certificates shall name the Association as an additional insured and state that such insurance cannot be canceled absent thirty (30) days written notice to the Association.

F. Owners/contractors must use elevator pads to protect the elevator prior to using them for any Construction work.

G. Owners must use and pay the cost of having the Association’s preferred Association System consultant for all work that requires moving, altering, shutting down, or isolating such Association System in connection with the Construction.

5. Hours. Construction hours are Monday through Friday 8:00 a.m. to 6:00 p.m., Saturday 9:00 a.m. to 6:00 p.m., excluding the following holidays: Christmas Eve through New Year’s Day, Thanksgiving, President’s Day, and except for emergencies and specific board-approved exceptions, in which case the owner/contractor must

immediately notify the Manager, and then the only construction allowed is the minimum amount necessary to avoid such harm.

6. Cleaning. All Common Elements (including garage, walkways, elevator, lobby and hallways) must be cleaned daily and cleared of all debris by 6:00 p.m.

7. Storage. Construction materials may not be stored in Common Elements, the parking garage, or in public areas adjacent to the building except with the express written permission of the Manager.

8. Disposal. Disposal of Construction materials, equipment, appliances (collectively, "Construction Debris"), is subject to the following:

A. All Construction Debris must be removed from the building by the owner/contractor.

B. No Construction Debris may be left in any Common Element overnight without written permission of the Manager.

C. The location of any dumpster and the duration of its use are subject to prior written approval of the Manager.

D. Construction dumpsters must be emptied immediately when full and may not be allowed to overflow. No food may be put in construction dumpsters.

E. Owner/Contractors may use trucks to haul away Construction Debris, but they must coordinate use of trucks with the Association's Manager on at least 48 hours prior notice. The times and duration of truck use is subject to the Manager's approval.

9. Conduct. The Owner shall ensure that its contractors conduct themselves in a professional and respectful manner towards all Association and Management personnel. Failure of Owner and/or its contractors or subcontractors to comply with this provision shall be grounds for the Association to terminate the Association's approval of the work and immediately cease the work, as well as grounds for monetary penalties imposed against the Owner and the Unit.

10. Governmental Regulations. Owners/contractors must comply with all Mountain Village approved construction hours and other building department regulations. Owners/contractors shall have the work performed in a good and workmanlike manner, and in compliance with all applicable building codes. Owner's contractors shall have all appropriate governmental licenses, including plumbers' and electricians' licenses, as well as Town of Mountain Village business licenses, and shall provide Manager with a copy of such licenses prior to commencement of work. Owner shall be responsible for obtaining all required governmental permits and licenses for the Work, including but not limited to building permits, and shall provide Manager with a copy of such permits prior to commencement of work.

11. Enforcement. Failure to comply with these regulations will result in charges to the Owner of the Unit subject to Construction, including daily fines for violations, and reimbursement of costs of collection, including legal fees. Prior to levying a fine, the Association will give the Owner written notice of violation and an opportunity to be heard before the Board.

#14: Construction Agreement

This Construction Agreement (this “**Agreement**”) is entered into effective _____ [date], by and between Lorian at Prospect Creek Owners Association, Inc., a Colorado nonprofit corporation (the “**ASSOCIATION**”) and [Owner] (“**OWNER**”). The ASSOCIATION and OWNER may hereafter be referred to individually as a “Party” and collectively as the “Parties.”

Recitals

A. The ASSOCIATION is the owners association for Lorian at Prospect Creek (the “**Community**”), a condominium community located in the Town of Mountain Village, San Miguel County, Colorado. The ASSOCIATION is governed by its Board of Directors (the “**Board**”).

B. The ASSOCIATION is managed by professional management (“**Manager**”).

C. OWNER owns Unit _____ at the Community. OWNER has applied to the ASSOCIATION Board for permission to perform certain construction work on or about the Unit (the “**Work**”) as more fully described on the plans dated _____ attached hereto (the “**Plans**”).

D. This Agreement sets forth the Board’s approval of the Work and OWNER’s agreement to abide by certain parameters.

Now, therefore, for valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. ASSOCIATION Approval. The Board hereby approves the Work. OWNER shall perform the Work at its sole cost and expense and substantially in accordance with the Plans. OWNER shall notify the ASSOCIATION in writing prior to making any significant changes to the Work, which changes shall be approved in writing by the ASSOCIATION prior to such changes being implemented.

2. Governmental Approval. OWNER shall have the Work performed in a good and workmanlike manner, and in compliance with all applicable building codes. OWNER’s contractors shall have all appropriate governmental licenses, including plumbers’ and electricians’ licenses, as well as Town of Mountain Village business licenses, and shall provide Manager with a copy of such licenses prior to commencement of work. OWNER shall be responsible for obtaining all required governmental permits and licenses for the Work, including but not limited to building permits, and shall provide Manager with a copy of such permits prior to commencement of work.

3. Safety. OWNER shall take all reasonable steps necessary for the safety of, and shall provide reasonable protection to prevent damage, injury or loss to (i) persons

performing the Work; (ii) owners, occupants, guests, invitees and employees at the Community.

4. Mechanics Liens. OWNER shall keep the ASSOCIATION free of mechanics liens.

5. Work.

a. Storage of Materials. OWNER will not be storing materials on the ASSOCIATION Common Elements or “**Limited Common Elements**,” as defined in the ASSOCIATION Declaration without approval of the Manager.

b. Removal and Disposal of Materials. OWNER will remove and dispose of materials by 6:00 p.m. MT daily.

c. Utility Lines. The Work [will/will not] involve moving, altering, shutting down, isolating or otherwise impacting any utility lines or equipment, including Common Element utilities.

d. General Contractor. OWNER’s general contractor is:

Name: _____

Tel: _____

E-mail: _____

e. Construction Dates. The Work shall commence on _____ [date] and is anticipated to be completed by _____ [date]. In the event that OWNER anticipates the Work will be suspended, or that the Work will not be completed by the above completion date, then OWNER shall notify the ASSOCIATION in writing.

6. Damage Reimbursement. OWNER shall be responsible to reimburse the ASSOCIATION for any costs arising out of the Work, including cleaning or repairing damage to the Common Elements arising out of the Work, as well as the ASSOCIATION’s reasonable Management fees, attorneys’ fees, consultants’ fees and costs incurred.

7. Insurance. OWNER shall cause its General Contractor and all subcontractors to provide to the ASSOCIATION and Manager certificates of insurance reflecting comprehensive general liability insurance in minimum amounts of one million dollars (\$1,000,000.00) and workers compensation insurance in at least statutory amounts. The certificates shall name the ASSOCIATION and Manager as additional insureds and stated that such insurance cannot be canceled absent thirty (30) calendar days written notice to the ASSOCIATION and Manager.

8. Declaration or Map Amendment. Because the Work is not changing “**allocated interests**” (as defined in the Declaration) and not altering the Unit configurations, no Declaration or Map Amendment is required.

OR

9. Declaration and Map Amendment. Because the Work is changing “**allocated interests**” (as defined in the Declaration) and Unit configurations, OWNER shall submit a Declaration and Map Amendment to the Board for approval, which must then be approved by the ASSOCIATION Owners prior to the commencement of any Work.

10. Indemnity. To the fullest extent permitted by law, OWNER shall indemnify and hold the ASSOCIATION harmless, including payment of reasonable attorneys’ fees, expert witness fees and costs, from and against all loss, cost, damage or expense, including reasonable attorney’s fees, arising from any claims, causes of action or other liabilities related to the performance of the Work.

11. Structural Matters. As set forth on the Plans, the structural modifications proposed are approved / there are no structural modifications proposed. OWNER shall provide stamped engineering plans for the Board’s review in the event of structural modifications .

12. Conduct. OWNER shall ensure that its contractors conduct themselves in a professional and respectful manner towards all ASSOCIATION and Management personnel. Failure of OWNER and/or its contractors or subcontractors to comply with this provision shall be grounds for the ASSOCIATION to terminate the ASSOCIATION’s approval of the work and immediately cease the work, as well as grounds for monetary penalties imposed against the OWNER and the Unit, after Notice and Hearing.

13. Notice. If the Parties wish to contact each other concerning this Agreement, they shall issue written notice as follows. All notices shall be copied via E-mail if not sent via E-mail.

If to the ASSOCIATION
or Manager:

Tel: _____
E-mail: _____

If to OWNER:

Name: _____
Address: _____
City, State and Zip: _____
Tel: _____

E-mail: _____

14. Further Performance. The Parties agree to execute any and all additional documents necessary to accomplish the purposes of this Agreement.

15. Entire Agreement, Waiver. This Agreement represents the entire, final and complete agreement of the Parties related to the Work and supersedes or replaces all written and oral agreements previously made or existing. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by both Parties. No waiver by any Party of any breach of, or of compliance with, any condition or provision of this Agreement by any other Party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

16. Governing Law, Venue and Attorneys Fees. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Colorado. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, venue shall be in San Miguel County, Colorado, and the prevailing Party shall be awarded reasonable attorneys' fees, expert witness fees and costs, in addition to any other relief to which the Party may be entitled.

17. Severability. If any provision or provisions of this Agreement shall be found invalid or unenforceable, this shall not affect the validity of the remaining provisions of this Agreement, and the remaining provisions shall remain in full force and effect.

18. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of any heirs, successors or assigns of the Parties hereto.

19. Not Recorded. This Agreement shall not be recorded.

20. Execution. Both Parties shall initial all pages and sign below. This Agreement may be executed in counterparts. A digital copy of this signed Agreement shall have the same force and effect as an original signed document.

Lorian at Prospect Creek Owners Association, Inc., a Colorado nonprofit corporation

By: _____

Dated: _____

OWNER:

By: _____

Dated: _____

#16: Project Review Application Agreement

This Project Review Application Agreement (this “**Agreement**”) is made effective _____ [date] by Lorian at Prospect Creek Owners Association, Inc., a Colorado nonprofit corporation (the “**HOA**”) and _____ (“**Owner**”). The HOA and Owner may hereafter be referred to individually as a “**Party**” and collectively as the “**Parties.**”

Recitals

A. The HOA is the governing association for Lorian at Prospect Creek (the “**Community**”), a condominium community located in the Town of Mountain Village, San Miguel County, Colorado. The HOA acts through its duly elected Board of Directors (the “**Board**”).

B. Owner owns Lorian Unit _____ (the “**Unit**”) and is applying to the HOA to _____ (the “**Project**”).

This Agreement sets forth the terms upon which Owner shall submit a complete application and shall reimburse the HOA’s reasonable costs of professionals such as Management, attorneys, surveyors and engineers incurred by the HOA in reviewing the Owner’s application.

Agreement

1. Application. Owner shall along with this Agreement submit a complete application to the HOA, including drawings from a professional licensed architect, and engineer if appropriate, as well as a narrative explaining the request.

2. Review and Costs. The HOA will review the Project application for various matters including but not limited to (a) potential impact on common elements, (b) possible structural impacts, (c) the need for amendments to the HOA Declaration and/or Condominium Map or other governing documents and (d) whether the HOA may request the HOA and the Owner sign and record any agreements concerning future maintenance of improvements placed in common areas. Review shall initially be conducted by Management, and any Project application requirements, including the need for review by other professionals, shall be recommended by Manager and are subject to Board approval. Owner further agrees to reimburse the HOA for its costs incurred reviewing the Project application. Such invoiced costs shall be paid on presentation. Such invoices may also be collected as a common expense allocated to the Unit, including all interest charges authorized pursuant to the HOA collection policy.

3. Waiver of Conflict of Interest. Owner acknowledges that although Owner will be reimbursing the HOA for the costs and reasonable attorneys fees and costs incurred, that the attorneys reviewing the Project application will be representing the HOA exclusively in connection with such matter. The Parties acknowledge that whenever a third party is

