

**FIRST AMENDMENT TO RULES AND REGULATIONS AND  
POLICIES AND PROCEDURES  
OF THE  
Granita Condominiums Owners' Association, Inc.**

This First Amendment to Rules and Regulations and Policies and Procedures (the "**First Amendment**") of the Granita Condominiums Owners' Association, Inc. (the "**Association**") is made effective as of October 1, 2006 (the "**Effective Date**") through unanimous approval by the Association's Board of Directors (the "**Board**"). Unless otherwise defined in this First Amendment, capitalized terms used herein shall have the same meaning given to such terms by that certain Declaration of Grants, Covenants, Conditions and Restrictions Establishing a Plan for Condominium Ownership of Granita Condominiums recorded in the official records of the San Miguel County Clerk and Recorder's Office on October 4, 1996, at Reception Number 307766 (the "**Declaration**").

Pursuant to the Board's approval as of the Effective Date, the Association hereby amends and supplements the Association's current Rules and Regulations and Policies and Procedures (the "**Rules and Regulations**"), as follows:

1. The following new Paragraph (8) shall be, and hereby is added to, Section II.B.2.a of the Rules and Regulations:

**(8) Common Areas Equipment.**

*a. As of the Effective Date, no Owner shall place and/or install, or allow any tenant to place or install, any electronic, telephone, furniture, personal equipment, and/or information systems-related equipment (collectively, "**Personal Systems**") in any General Common Elements of the community, without the prior written consent of the Board.*

*b. The Board acknowledges and accepts that certain previously-unapproved Personal Systems were installed into the basement electrical room designated as a General Common Element (the "**Existing Improper Location**"), initially exclusively for purposes of servicing of Units 101 (the "**Unit 101 Grandfathered Personal Systems**"). The Board further acknowledges and accepts that the Owner of Units 101-A, 101-B, 101-C and 101-D (collectively, "**Units 101 A-D**") subsequently, and also without approval, altered the Unit 101 Grandfathered Personal Systems to: (i) eliminate the service from the Unit 101 Grandfathered Personal Systems for Unit 101 and (ii) shift/extend such service exclusively to Units 101 A-D (the "**Unauthorized Units 101 A-D Personal Service Extension**").*

*c. With respect to both the Unit 101 Grandfathered Personal Systems and the Unauthorized Units 101 A-D Personal Service Extension (collectively, the "**Improper Existing Personal Services**"), the Association, by and through its Board, hereby confirms the following: (i) the Owner(s) of Unit 101 A-D shall bear all costs, liabilities and duties (including any relating to repair, maintenance, replacement or damages to any Units or Common Elements and, including, without limitation, any legal, insurance, accounting or other costs related thereto) caused by, or relating to, the Improper Existing Personal Services; (ii) the Improper Existing Personal Services shall be terminated and removed within five business days after the sale of any or all of Units 101 A-D,*

from their current Existing Improper Location to the location in the General Common Elements where the general building Personal Systems Servicing the other Units are located (the "**General Building Systems Location**"); and (iii) in the event that any of the Improper Existing Personal Services should become inoperable or need to be replaced or materially repaired, for any reason, then the Improper Existing Personal Services shall be removed from the Existing Improper Location to the General Building Systems Location, to the extent that such repairs and/or replacements shall be needed (all at the sole cost and expense of the current owner(s) of Units 101 A-D).

d. Any costs or expenses related to a Unit's Personal Systems including, without limitation, costs associated with the Improper Existing Personal Services shall be charged and assessed as Limited Common Elements Special Assessments exclusively attributable to and payable by the Unit(s) serviced by such Personal Systems, as well as the Owner(s) of such Unit(s).

2. The following new Paragraph (4) shall be, and hereby is added to, Section II.C of the Rules and Regulations:

**(4) Moving Procedures.** Any Owner desiring to move or transfer (the "**Moving Owner**") any large pieces of furniture, equipment or other major items to or from the Moving Owner's Unit (collectively, the "**Moving Items**") shall be responsible for any and all damage to the building and/or Common Elements and/or other Units caused or incurred in connection with such move or transfer of the Moving Items. Within 14 days prior to (i) moving-in or moving-out of a Unit; or (ii) otherwise transferring or moving any Moving Items to or from a Unit, the Moving Owner must notify the Board or its designated agent or manager (the "**Maintenance Supervisor**") in writing regarding the date of the proposed move/transfer. Together with that notification, the Moving Owner shall submit an initial \$750 deposit to the Association (the "**Security Deposit**"), which Security Deposit shall be held and applied by the Association as security against damages to the building, General Common Elements and/or Units caused by the proposed move/transfer of the Moving Items and/or any costs or expenses related thereto. Following completion of the move/transfer of the Moving Items, within 10 business days after written request from the Moving Owner, the Association shall either: (a) remit the balance of the Security Deposit (if any) to the Moving Owner, after deductions for all damages, costs and/or expenses caused by or incurred in connection with the move/transfer of the Moving Items; or (b) apply the Security Deposit to pay for any such damages, costs and/or expenses caused by or incurred in connection with the move/transfer of the Moving Items and then assess a Special Assessment the Moving Owner and the Moving Owner's Unit for any remaining excess over the Security Deposit. Finally, the Maintenance Supervisor shall "dress" the interior of the elevator with protective cloth/material prior to the proposed move/transfer in a manner best undertaken to avoid and/or reduce damage to the elevator.

3. The following new Paragraph (13) shall be, and hereby is added to, Section II.B.2.b of the Rules and Regulations:

**(13) Remodel/Construction.** Any Owner performing any type of construction or remodeling work (the "**Constructing Owner**") in the Constructing Owner's Unit including, without limitation, painting work (collectively, the "**Project**"), shall first schedule a meeting (the "**Project Meeting**") with the Association's Maintenance Supervisor and at least one Association Director authorized by the Board (jointly/collectively, the "**Board Representatives**"). This Project Meeting shall take place within 30 days prior to commencement of the Project. During the Project

*Meeting, the Board Representatives shall establish procedures with which the Constructing Owner and its agents and contractors shall comply, in order to best avoid damage to the building, Common Elements and/or other Units and to ease the impact on the other Owners. Such procedures may include (without limitation and at the sole but reasonable discretion of the Board Representatives) requirements that the Constructing Owner post, in favor of the Association, a reasonable performance bond (the "Performance Bond"), the value of which is to be determined on a case-by-case basis for the purpose of the Association securing the Constructing Owner's compliance with the procedures established by the Board Representatives. If, upon completion of the Project, no damage is sustained to the building, the other Units or Common Elements, then the Performance Bond shall be fully refundable. Any and all damages sustained to the building, the other Units or any Common Elements (as assessed by the Board Representatives in their sole but reasonable discretion) shall be charged against the Performance Bond with the remainder payable to the Constructing Owner. Finally, in the event damages sustained to the building, the other Units or any Common Elements are greater than the amount secured by the Performance Bond, the Performance Bond shall be kept by the Association, and any excess charge for damages shall be charged directly to the Constructing Owner. In the event that, after the Effective Date, any Constructing Owner shall fail to timely notify the Maintenance Supervisor and/or Board and to proceed with a Project as set forth above, the cost of all damages incurred as a result will be assessed against the Constructing Owner and the Constructing Owner's Unit together with a fine of up to \$1,000, chargeable in the Board's sole and absolute discretion.*

**IN WITNESS WHEREOF**, the undersigned, as President of the Association, certifies these Amendments have been adopted and approved by the Board effective as of the Effective Date.

**GRANITA CONDOMINIUMS OWNERS'  
ASSOCIATION, INC.**, a Colorado nonprofit corporation

By: \_\_\_\_\_  
Suzette Janoff, President