

CONSTRUCTION AUTHORIZATION AND AGREEMENT

The North Star B Condominium Association, Inc., a Colorado nonprofit corporation (“**Association**”) has reviewed the plans (“**Plans**”) dated _____ submitted by _____ (“**Owner**”) as the owner of Unit _____, North Star B Condominiums (“**Subject Unit**”). The Owner has requested that the Association approve their request to undertake certain work and activities that involved the Subject Unit and/or the common elements connected to or otherwise associated with the Subject Units, which work/activities is described in the Plans and is further summarized as follows:

_____.

The Association, through its Board of Directors, does hereby approve the work/activities evidenced by the Plans included in the attached proposals and plans (“**Authorized Work**”), subject to the following conditions and requirements:

1. Owner shall only construct the Authorized Work and shall obtain the prior written approval of the Association approval for any deviations or modifications from the Plans, which may be granted or withheld in the discretion of the Association.
2. Prior to the commencement of the Authorized Work, Owner shall: (a) first obtain any and all required design approvals and building permits from the Town of Mountain Village approving the Authorized Work (“**Town Approvals**”), at Owners cost and expense, (b) present copies of the design approvals and building permits to the Association, and (c) comply with the terms and conditions of any Town Approvals.
3. Owner shall retain if deemed necessary by the Board a structural engineer who certifies in writing to the Owner and the Association that the Authorized Work will not in any way adversely affect the structural integrity of any part of the North Star community, which certification shall be provided to the Association prior to the commencement of the Authorized Work. Any cost shall be incurred solely by the Owner and not the Association.
4. If the owner retains a qualified contractor, capable of completing the work in an expeditious manner and that Owner enter into a contract with the contractor in which the contractor expressly acknowledges and agrees that contractor shall not lien any common elements or other units in the North Star community. Owner shall promptly pay all costs for the construction of the Authorized Work and shall indemnify Association from and against any costs and expenses incurred in connection with the undertaking of the Authorized Work and from and against any liens that may be filed on any portion of the common elements or other units included in the North Star Condominiums.
5. The Owner is responsible for any maintenance to the improvements constructed pursuant to the Authorized Work (“**Improvements**”) including any damage to the common elements or other units arising from the construction of the Improvements or existence of the Improvements. Owner is strictly liable for any damage or repairs required to any portion of the North Star Condominiums, whether it involves the Subject Unit, any common elements or any other units that are reasonably attributable to the Authorized Work and the Improvements. In the event that the design or construction of the Improvements, the existence of the Improvements, or lack of proper maintenance of the Improvements causes damage to the common elements or other units and Owner does not take reasonable measures to diligently pursue the repair and reconstruction of the damaged common elements or other units to substantially the same condition in which they existed prior to the damage, then the Association, after written notice to the Owner and the expiration of a thirty (30) day cure period, and with the approval of

the Board of Directors, shall have the right to perform such work as is reasonably required to restore the common elements or other unit to a condition of good order and repair. All costs and expenses, including any legal fees, incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner within 15 days of payment by the Association and shall be deemed to be an assessment against the Subject Unit, for which the Association may file a lien if the payments due from Owner are not timely paid. The lien may be enforced by the Association in accordance with liens for assessments as set forth in the Condominium Declaration for North Star B Condominiums and applicable law.

6. The Authorized Work shall be:

- a. Initiated and completed in a prompt and diligent manner;
- b. Be performed in accordance with the Town of Mountain Village regulations.
- c. Be completed in a manner that minimizes disturbances to other units, common elements, unit owners and guests in terms of noise, dust, odor and impeding areas of the NorthStar community and in accordance with any specific directions provided by the Association;
- d. Be done in a manner that does not damage any common elements or other units in the-North Star community and Owner is specifically obligated to promptly repair and restore any damage to common elements or other units at its cost and expense;
- e. All staging shall be done within the Subject Unit;
- f. Contractors shall park at a location designated by the Association;
- g. Owner and contractor shall obtain and maintain general liability insurance and casualty insurance at all times that the Authorized Work is being undertaken and shall name the Association as an additional insured thereunder.

7. **Miscellaneous.**

- a. This Agreement shall be recorded in the public records of San Miguel County.
- b. This Agreement runs with the land and is binding on and inures to the benefit of the heirs, representatives, transferees, successors and assignees of the Parties.
- c. Upon the full performance of all duties and obligations hereunder, the Parties shall promptly execute and record their notice terminating and releasing this Agreement.
- d. Should any section, paragraph, clause or provision of this Agreement be declared by a court of competent jurisdiction to be invalid, said decision shall not affect the validity of this Agreement as a whole or any part hereof other than the part declared to be invalid, and the Parties hereby affirm that they would have entered into this Agreement and each of its provisions independently of each of its other provisions.
- e. This Agreement constitutes the entire integrated understanding of the Parties regarding the subject matter set forth herein and no prior or contemporaneous promise, representation, term, condition, or understanding shall be of any legal force or effect, unless embodied herein in writing, or in a written amendment mutually agreed to by the Parties. Any modification of this Agreement shall be

binding only if evidenced in writing signed by each Party or an authorized representative of each Party.

f. No person or entity that is not a Party to this Agreement will have any right of action under this Agreement.

g. A Party shall “default” under this Agreement if it breaches any of its obligations hereunder and, after receiving written notice of the breach from the other Party (the “Notifying Party”), fails to cure the breach within (i) 10 days after delivery of the notice if the breach is failure to pay money owed to the Notifying Party, or (ii) 30 days after delivery of the notice with respect to any other breach (or, if the breach by its nature cannot be cured within 30 days, the defaulting party must commence the cure within 30 days after delivery of the notice and thereafter diligently pursue the cure to completion). In the event of default by a Party (“**Defaulting Party**”), the Notifying Party may (1) initiate an action to compel compliance by the Defaulting Party with this Agreement, including damages, injunctive relief and specific performance, and/or (2) take the necessary action itself to cause the obligation(s) in default to be performed, in which case the Notifying Party may recover from the Defaulting Party all damages and expenses incurred to perform such obligation(s). The prevailing party shall collect its reasonable costs, expenses and fees, including reasonable expert fees and attorney’s fees. The Notifying Party may also suspend the rights and interests of the Defaulting Party under this Agreement and all other agreements contemplated by this Agreement until such time as the Defaulting Party is in compliance with this Agreement. A Party may pursue any and all remedies available under Colorado Law, including damages, injunctive relief and/or specific performance. The remedies shall be cumulative in nature and a Party may pursue some or all of its remedies. Personal jurisdiction and venue for any civil action commenced by any Party to this Agreement whether arising out of or relating to this Agreement will be deemed to be proper only if such action is commenced in District Court for San Miguel County. Each Party expressly waives its right to bring such action in or to remove such action to any other court whether state or federal. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

h. This Agreement may be executed in multiple counterparts or by legible facsimile copy, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same instrument. The facsimile transmission of a signed copy hereof or of any notice to be given to the other Party or his or her agent, shall be considered valid and constitute a signed original. A signed “hard copy” of the Agreement shall not be necessary, but may be executed by the Parties.

i. Any notice to be given hereunder shall be in writing, addressed to the appropriate Party, and shall be delivered in person; by overnight delivery or courier service; or by the United States Postal Service (or any official successor thereto), certified mail, return receipt requested, with adequate postage prepaid. Such notice shall be deemed delivered at the time of personal delivery, or, if mailed, on the date postmarked, but if mailed the time period for any required response shall run from the date of receipt by the addressee, as evidenced by the return receipt. Rejection or other failure by the addressee to accept the notice, or the inability to deliver the notice because of a change of address of which no notice was given, shall be deemed receipt of the notice on the third day following the date postmarked. The addresses of the Parties to which notice is to be sent shall be those set forth below. Such addresses may be changed by either Party by written notice to the other.

ACKNOWLEDGED AND AGREED TO BY THE PARTIES

ASSOCIATION

The North Star B Condominiums Association, Inc.
a Colorado nonprofit corporation

By: _____

Date: _____

Printed Name: _____

Title: _____

Mailing Address: _____

UNIT OWNER

By: _____

Date: _____

Printed Name: _____

Title: _____

Mailing Address: _____

| Notary seal