

Construction Agreement

This Construction Agreement (this “**Agreement**”) is entered into effective _____ [date], by and between Blue Mesa Lodge Condominium Association, Inc., a Colorado nonprofit corporation (the “**ASSOCIATION**”) and the undersigned Unit 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 Blue Mesa Lodge, 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 Full Circle HOA Management (“**Manager**”).

C. OWNER owns a Unit at Blue Mesa. OWNER has applied to the ASSOCIATION Board for permission to perform certain construction work on the Unit (the “**Work**”), as more fully described on the plans submitted herewith (the “**Plans**”).

D. The ASSOCIATION is governed by various governing documents, including “**Construction Rules**,” and OWNER acknowledges receipt of a copy of these Rules.

E. This Agreement sets forth the Board’s approval of the Work according to the terms of the Construction Rules, and OWNER’s agreement as required by the Construction Rules.

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.

b. Removal and Disposal of Materials. OWNER shall abide by the debris disposal provisions as set forth in the attached Construction Rules. 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 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. Cost Deposit. Pursuant to the Construction Rules, OWNER shall deposit the sum of Two Thousand, Five Hundred dollars (\$2500.00) as security to cover damage to, and cleaning of, the Common Elements, as well as for other costs and expenses arising out of the Work (including the ASSOCIATION’s reasonable management fees, attorneys fees, consultant’s fees and costs incurred). The Cost Deposit shall be further governed by the Construction Rules attached hereto.

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) per occurrence and in the aggregate, and workers compensation insurance in at least minimum 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.

The only exception to this requirement is for those contractors who have formally rejected Workers' Compensation coverage in accordance with Colorado State Law, due to fact that the contractor performing work is a sole proprietor, or is a partner, corporate officer or member of an LLC who is at least a ten percent (10%) owner of the business and participates in the daily operations and/or management of the business, and the contractor has properly registered with the State of Colorado as having rejected such coverage. Rejection of coverage is accomplished by completing the Colorado Department of Labor and Employment Division of Workers' Compensation Form WC043, "Rejection of Coverage by Corporate Officers or Members of a Limited Liability Company (LLC)," a copy of which form is available at: <https://www.colorado.gov/pacific/cdle/forms-3>

The Association must be able to verify such formal rejection of coverage on the State of Colorado website: <https://dowc.cdle.state.co.us/WCCompliance/>

8. Common Element Protection. OWNER acknowledges that its contractors shall pad equipment and materials so as to protect Common Elements, including hallways, stairways and elevator.

9. Construction Hours. OWNER shall abide by the construction hours as set forth in the attached Construction Rules.

10. Cleaning Common Elements. OWNER shall abide by the cleaning of Common Elements as set forth in the attached Construction Rules.

11. 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

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.

12. Bond. The Board finds that the OWNER [shall/shall not] be required to post an additional performance bond required, in the amount of \$_____. The Board reserves the right to require the OWNER increase the amount of this bond and/or require the OWNER post additional bonds in the event of changed circumstances.

13. Indemnity. To the fullest extent permitted by law, OWNER shall indemnify and hold the ASSOCIATION harmless, including payment of 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.

14. 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.

15. Back of the House Access. OWNER acknowledges that OWNER and its contractors and subcontractors shall not access to any back of the house areas without specifically coordinating such access with the ASSOCIATION Manager. The ASSOCIATION Manager may require that any such access be accompanied by ASSOCIATION Manager or other personnel.

16. 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.

17. Other Terms. All other terms and conditions of the Construction Rules are incorporated herein.

18. 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:

Dan Witkowski
Full Circle HOA Management
560 Mountain Village Boulevard, Suite 102B
Mountain Village, Colorado 81435
Telephone: (970) 369-1428 ext. 1
Facsimile: (970) 369-1429
E-mail: Dan@FullCircleHOA.com

If to OWNER: Contact information below.

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

20. 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.

21. 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.

22. 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.

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

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

25. 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.

Blue Mesa Lodge Condominium Association, Inc., a Colorado nonprofit corporation

By: _____ Dated: _____

OWNER:

Print name: _____

Signed: _____

[If applicable] Name and title: _____

Dated: _____

Unit number(s): _____

OWNER Address: _____

City, State and Zip: _____

Tel: _____

E-mail: _____