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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

THE TELLURIDE CONDOMINIUMS

A CONDOMINIUM PROJECT LOCATED IN THE

COUNTY OF JEFFERSON

STATE OF COLORADO



WFG 11854

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONSOFTHE TELLURIDE CONDOMINIUMS

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE TELLURIDE CONDOMINIUMS

THIS DECLARATION is made and entered into by Zeff Properties, a Colorado General Partnership, hereinafter referred to as the "Declarant";

W I T N E S S E T H :

WHEREAS, Declarant is the owner of the real property situate in the County of Jefferson, State of Colorado, which is described on Exhibit 1 attached hereto and incorporated herein by reference, hereinafter referred to as the "Property"; and,

WHEREAS, Declarant plans to initially construct on the Property a three (3) building Condominium complex which consists of a total of twenty-eight (28) separately designated Condominium Units, and plans to annex to the Property, pursuant to Paragraph 33 of this Declaration, additional property including a maximum of seven (7) additional buildings consisting of ninety-one (91) additional separately designated Condominium Units; and

WHEREAS, Declarant desires to establish a condominium project under the Condominium Ownership Act of the State of Colorado, to-wit: Colo. Rev. Stat. § 38-33-101, et. seq. (1973, as amended); and

WHEREAS, Declarant does hereby establish a plan for the separate fee simple ownership of real property estates consisting of the Units, as hereinafter defined, in the building improvements now located or to be constructed on the Property and any property or properties hereafter annexed hereto; and the co-ownership by the individual and the separate owners thereof, as tenants in common, of all of the remaining portions of the Property and any property or properties hereafter annexed hereto, which is hereinafter defined and referred to as the General Common Elements;

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, reservations, limitations and obligations shall be deemed to run with the land encompassing the Property and any property or properties hereafter annexed hereto and shall be a burden and a benefit to Declarant, its grantees, successors and assigns, and any person acquiring or owning an interest in the real property and improvements thereon which is subject to this Declaration, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Definitions. As used in this Declaration, unless the context otherwise requires, the terms hereinafter set forth shall have the following meanings:

1.1 "Unit" means an individual air space which is contained in an enclosed room or rooms occupying all or part of a floor or floors in a Building, to be used for residential purposes, and which has access to a public street, all as hereinafter defined. Each Unit is shown on the Map, as hereinafter defined, and is identified thereon with a number. The exact boundaries of a Unit are the interior unfinished surfaces of such walls, floors and ceilings which mark the perimeter boundaries thereof and where found along such walls, floors and ceilings the interior surfaces of built-in fireplaces with their flues in their closed position and windows and doors in their closed position; and the Unit includes both the portions of the Building so described, and the air space so encompassed and together with all fixtures and improvements therein contained but not any General Common Elements which may be within a Unit.

1.2 "Owner" shall mean and refer to any record owner (including Declarant, and including a contract seller, but excluding a contract purchaser), whether one or more Persons or entities, of a fee simple title interest to any Condominium Unit; but excluding, however, any such record owner having such an interest therein merely as security for the performance of an obligation. When a Person who is an Owner conveys or otherwise assigns of record his fee simple title interest to a Condominium Unit, then, retroactive to the date of such conveyance or assignment, such Person shall thereafter cease to be an Owner; provided, however, that the foregoing shall not in any way extinguish or otherwise void any unsatisfied obligation of such Person which existed or arose at the time of such conveyance or assignment, specifically including without limiting the generality of the foregoing, any unsatisfied obligation to pay Association assessments.

1.3 "General Common Elements" and "Common Elements" mean all of the Project, as hereinafter defined, except the portions thereof which constitute Units, and also means all parts of a Building or any facilities, improvements and fixtures which may be within a Unit which are or may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair or safety of a Building or any part thereof or any other Unit therein.

Without limiting the generality of the foregoing, the following shall constitute General Common Elements and Common Elements:

1.3.1 all of the land and easements which are part of the Property and all swimming pools, tennis courts and related facilities and recreational facilities and buildings which may be located on the Property;

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1.3.2 all foundations, columns, girders, beams and supports of a Building;

1.3.3 all deck or yard areas, porches, storage lockers or areas, balconies, patios, fireplaces, carports and parking spaces (subject to specific assignment for individual Owner use as Limited Common Elements, as hereinafter defined and provided);

1.3.4 the exterior walls of a Building, the main or bearing walls within a Building, the main or bearing subflooring and the roofs of a Building;

1.3.5 all entrances, exits, vestibules, halls, corridors, lobbies, lounges, linen rooms, laundry rooms, kitchen facilities, exercise rooms, saunas, whirlpools, steam baths, stairs, stairways and fire escapes, if any, not within any Unit;

1.3.6 all offices (except as otherwise provided herein), utility service and maintenance rooms, space, fixtures, apparatus, installations and central facilities for power, light, gas, telephone, television, hot water, cold water, heating, refrigeration, air conditioning, trash, incineration, or similar utility, service or maintenance purposes, including furnaces, tanks, pumps, motors, fans, compressors, flues, vents, similar fixtures, apparatus, installations and facilities; and

1.3.7 all other parts of the Project necessary in common use or convenient to its existence, maintenance and safety.

1.4 "Association" means the Telluride Condominiums Association, Inc., a Colorado nonprofit corporation, its successors and assigns, the Articles and Bylaws of which, as hereinafter defined, along with this Declaration, shall govern the administration of the Project; the members of which shall be all of the Owners.

1.5 "Building" means one or more of the building improvements erected within the Project.

1.6 "Common Expenses" means and includes:

1.6.1 all sums lawfully assessed against the Owners by the Board;

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1.6.2 expenses of administration, maintenance, repair or replacement of the Common Elements, as hereinafter defined;

1.6.3 expenses declared Common Expenses by provisions of this Declaration and the Bylaws; and

1.6.4 expenses agreed upon as Common Expenses by a vote of the Owners representing an aggregate ownership interest of at least fifty-one percent (51%) of the General Common Elements.

1.7 "Limited Common Elements" means those General Common Elements which are reserved for the use of certain Owners to the exclusion of the others, including but not limited to, certain balconies, porches, patios, fireplaces, decks, yard or lawn areas located between the garage and each Unit, garages, carports, and parking spaces.

1.8 "Person" means an individual, corporation, partnership, combination, association, trustee or any other legal entity.

1.9 "Mortgage" shall mean and refer to any mortgage, deed of trust or other security instrument recorded in the records of the office of the Clerk and Recorder of the County of Jefferson, Colorado, and by which a Condominium Unit or any part thereof is encumbered. "Mortgage" shall also mean and refer to any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is identified as the seller, whether such contract is recorded or not and whether such contract is owned by the said Administrator or has been assigned by the said Administrator and is owned by the Administrator's assignee or by a remote assignee and whether or not the land records of the office of the Clerk and Recorder of the County of Jefferson, Colorado, show the said Administrator as having the record title to the Condominium Unit.

1.10 "Mortgagee" shall mean and refer to any person named as a mortgagee or beneficiary under any Mortgage (including the Administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executory land sales contract wherein the said Administrator is identified as seller, whether such contract is recorded or not and whether or not the land records in the office of the Clerk and Recorder of the County of Jefferson, Colorado, show the said Administrator as having the record title to the Condominium Unit) under which the interest of any Owner is encumbered, or any successor to the interest of any such person under such Mortgage.

1.11 "Condominium Unit" or "Unit" means the fee simple interest and title in and to a Unit, together with the un-

divided interest in the General Common Elements appurtenant to such Unit and all other rights and burdens created by this Declaration.

1.12 "Project" means all of the Property, Condominium Units, Buildings and improvements submitted to this Declaration, together with any property, Condominium Units, buildings and improvements hereafter annexed to this Declaration pursuant to the provisions of Paragraph 33 hereof.

1.13 "Board of Directors" or "Board" means the governing body of the Association.

1.14 "Managing Agent" means the Person employed by the Board to perform the management and operational functions of the Project.

1.15 "Bylaws" means the bylaws of the Association.

1.16 "Articles" means the articles of incorporation of the Association.

1.17 "Guest" means any agent, employee, tenant, guest, licensee or invitee of an Owner.

1.18 "Declarant" means the Declarant named herein and such successor or successors as may be designated hereafter by Declarant by written notice duly recorded.

1.19 "Map" means the Condominium Map for the Telluride Condominiums recorded in the records of the office of the Clerk and Recorder of the County of Jefferson, Colorado. More than one Map or supplements thereto may be recorded; and, without limiting the generality of the foregoing, separate Maps may be recorded for each Condominium Building or for each annexation to this Declaration pursuant to the provisions of Paragraph 33 hereof. If more than one condominium Map or supplements thereto are recorded, then the term "Map" shall collectively mean all of such condominium Maps and supplements thereto.

2. Map. There shall be filed for record in the County of Jefferson, Colorado, a map, hereinafter referred to as the "Map", which Map may be filed in whole or in part and if filed in part shall be supplemented as determinable, depicting thereon:

- (i) The legal description of the Property and a survey thereof;
- (ii) The linear measurements and location, with reference to the exterior boundaries of said land, of the Building(s) and all improvements built on said land;

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- (iii) Floor plans and elevation plans of the Building(s) showing the location, the designation and the linear dimensions of each Unit, and the designation of all of the Limited Common Elements;
 - (iv) The elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plan, and the linear measurements showing the thickness of the perimeter and common walls of the Building.

The Map, and any supplement(s) thereto, shall contain a statement of an architect, engineer or registered land surveyor certifying that the Map fully and accurately depicts the layout, measurements and location of all of the Building(s) and improvements, the Unit designations, and dimensions of such Units and the elevations of the floors and ceilings. Declarant hereby reserves unto itself and the Board, the right, from time to time, without the consent of any Owner being required, to amend the Map and supplement(s) thereto, to conform the Map and the actual location of any of the constructed improvements, to establish, vacate and relocate utility easements, access road easements and carports or parking spaces, and to establish certain General Common Elements as Limited Common Elements.

In interpreting any and all provisions of this Declaration or the Bylaws, subsequent to deeds to and/or Mortgages of Condominium Units, the actual location of a Unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered, notwithstanding any minor deviations from the location of such Unit indicated on the Map. Notwithstanding the foregoing, Declarant specifically does not reserve the right to change the overall plan or decide not to construct planned Units or improvements to the Common Elements.

3. Division Into Units. Declarant does hereby submit the Project to condominium ownership pursuant to the Colorado Condominium Ownership Act and the Project is hereby initially divided into twenty-eight (28) Condominium Units, each consisting of a separate fee simple estate in a particular unit, and an appurtenant undivided fee simple interest in the General Common Elements. The undivided interest in the General Common Elements appurtenant to each Condominium Unit is determined by a fraction, the numerator of which shall be the number of square feet of floor space in each particular Condominium Unit and the denominator of which shall be the total number of square feet of floor space in all Condominium Units then subject to this Declaration. The initial undivided interest in the General Common Elements appurtenant to a particular Condominium Unit is as set forth on Exhibit 2 attached hereto and incorporated herein by reference. However, such number of Condominium Units and such undivided interest of each Unit Owner in the General Common Elements may be modified by annexations to this Declaration pursuant to Paragraph 33 hereof.

4. Right to Combine Units. Declarant hereby reserves the right to physically combine the area or space of one Unit with the area or space of one or more adjoining Units; provided, however, that Declarant shall not exercise said right without the written consent of any first Mortgagee having an interest in said Units. In the event of any such physical combining of Units to create a combined Unit, such combined Unit shall also include the combining of the fixtures and improvements and of the undivided interests in Common Elements appurtenant to the Units so combined. Declarant hereby reserves the right to designate and convey to any purchaser of any such combined Unit, as additional Limited Common Elements appurtenant thereto, any walls, floors or other structural separations between the Units so combined, or any space which would be occupied by such structural separations but for the combination of such Units; provided, however, that such walls, floors or other structural separations or such space shall automatically become General Common Elements if the combined Units become subject to separate ownership in the future. Upon any combination of Units as provided for herein, the Owner(s) of the combined Units shall have the same number of votes as of the number of Units so combined, and shall be personally obligated for each of the separate assessment obligations of all combined Units. Upon the separation of any combined Unit, the Owner(s) of each separate Unit shall have the right to one vote for each Unit, and shall be personally obligated for only those assessment obligations pertaining to each such Unit. This reserved right in Declarant shall terminate upon the sale of all of the Condominium Units within the Project to third party purchasers or December 31, 1987, unless amended by Declarant, whichever event first occurs.

5. Limited Common Elements. Subject to the definition thereof, the Limited Common Elements shall be identified herein or on the Map and designated as appurtenant to a particular Condominium Unit herein or on the Map or in a deed from the Declarant. Any balcony, porch, patio or fireplace which is accessible from, associated with and which adjoin(s) a Unit and deck or yard areas, carports, and parking spaces identified as Limited Common Elements on the Map and designated as appurtenant to a particular Condominium Unit, shall, without further reference thereto, be used in connection with the Unit to which it is appurtenant to the exclusion of the use thereof by the other Owners, except by invitation.

6. Inseparability of a Condominium Unit. An Owner's undivided interest in the General Common Elements and in any appurtenant Limited Common Elements shall not be separated from the Unit to which they are appurtenant and shall be deemed to be conveyed or encumbered with the Unit even though the interest is not expressly mentioned or described in a deed or other instrument.

7. Description of Condominium Unit.

7.1 Every contract for the sale of a Condominium Unit written prior to the filing for record of the Map and this Declaration may legally describe a Condominium Unit by its identifying Condominium Unit number (and the Building, if appropriate) followed by the words "Telluride Condominiums", with further reference to the Map thereof to be filed for record and this Declaration to be recorded and with further reference to the parking space(s) appurtenant to such Condominium Unit. Upon recordation of the Map and this Declaration in the records of the Clerk and Recorder of the County of Jefferson, Colorado, such description shall be conclusively presumed to relate to the therein described Condominium Units.

7.2 Every deed, lease, Mortgage, will or other instrument shall legally describe a Condominium Unit by its identifying Condominium Unit number (and Building designation, if appropriate) followed by the words "Telluride Condominiums", in accordance with and subject to the Declaration of Covenants, Conditions and Restrictions of the Telluride Condominiums recorded on _____, and Map recorded on _____, County of Jefferson, State of Colorado records, together with the right to the exclusive use of parking space(s) and/or garage no. _____. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit, but also, the General Common Elements and the right to the use of the Limited Common Elements appurtenant thereto. Each such description shall be construed to include: a nonexclusive easement for ingress and egress throughout and for use of the General Common Elements which are not Limited Common Elements; the right to the exclusive use of the appurtenant Limited Common Elements; and the other easements, obligations, limitations, rights, encumbrances, covenants, conditions and restrictions created in this Declaration. The undivided interest in the General Common Elements appurtenant to any Condominium Unit shall be deemed conveyed or encumbered with that Condominium Unit, even though the legal description in the instrument conveying or encumbering said Condominium Unit may only refer to the title to that Condominium Unit.

7.3 The reference to the Map and Declaration in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Map or Declaration, without specific reference(s) thereto.

8. No Partition. The General Common Elements shall be owned in common among all of the Owners and shall remain undivided, and no Owner or any other Person shall bring any action for partition or division of the General Common Elements. By acceptance of a deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived his right to institute and/or maintain a partition action or any other cause of action designed to cause a division of the General

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Common Elements, and this paragraph may be plead as a bar to the maintenance of any such action. Any Owner who shall institute or maintain any such action shall be liable to the Association and hereby agrees to reimburse the Association for the Association's costs, expenses, and reasonable attorneys fees in defending any such action. Notwithstanding the foregoing, every Owner shall be allowed to bring an action for partition amongst the Owners of any Condominium Unit; provided, however, that such partition action must take the form of a sale of the entire Condominium Unit with a subsequent division of the proceeds of the sale among the parties. Partition in kind shall not be allowed, and each Owner hereby expressly waives any and all rights of partition in kind that he may have by virtue of ownership of a Condominium Unit.

9. Separate Taxation. Each Condominium Unit shall be deemed to be a parcel and shall be subject to separate assessment and taxation by each assessment unit and special district for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither the Building(s), the Property nor any use of the Common Elements shall be deemed to be a parcel. The lien for taxes assessed to any Condominium Unit shall be confined to that Condominium Unit. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit. In the event that such taxes or assessments for any year are not separately assessed to each Owner, but rather are assessed on the Property as a whole, then each Owner shall pay his proportionate share thereof in accordance with his ownership interest in the General Common Elements, and, in said event, such taxes or assessments shall be a Common Expense. Without limiting the authority of the Board provided for elsewhere herein, the Board shall have the authority to collect from the Owners their proportionate share of taxes or assessments for any year in which taxes are assessed on the Property as a whole.

10. Title. A Condominium Unit may be held and owned by more than one Person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Colorado.

11. Certain Work Prohibited. No Owner shall undertake any work in his Unit which would jeopardize the soundness or safety of the Project, reduce the value thereof or impair an easement or hereditament thereon or thereto, nor shall any Owner enclose, by means of screening or otherwise, any balcony, yard, deck, patio or porch which is accessible from, associated with and which adjoins a Unit, without having first obtained the prior written approval of the Board (which approval may be withheld for any reason) for such enclosure and with respect to the materials, plans and specifications for such enclosure. Structural alterations shall not be made by an Owner to the exterior portions of his Unit or to the Building(s) or in the water, gas or steam pipes, electric conduits, plumbing or other fixtures connected there-

with, nor shall an Owner remove any additions, improvements or fixtures from the Building(s) without the prior written approval of the Board (which approval may be withheld for any reason) first having been obtained.

12. Liens Against Condominium Units for Labor Performed or Materials Furnished.

12.1 Mechanic's Liens: No labor performed or materials furnished, with the consent or at the request of an Owner of a particular Condominium Unit, or his agent, shall be the basis for the filing of a lien pursuant to law against the Condominium Unit or other property of another Owner not expressly consenting to or requesting the same, except that express consent shall be deemed to be given by the Owner of any Condominium Unit to the Managing Agent or the Board in the case of emergency repairs. Labor performed or materials furnished for the General Common Elements, if duly authorized by the Managing Agent or the Board of Directors in accordance with the Declaration or Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner and shall be the basis for the filing of a lien pursuant to law against each of the Condominium Units in the Project.

12.2 Removal of Mechanic's Lien: In the event a lien is effected against two or more Condominium Units, the Owners of the separate Condominium Units may remove their Condominium Units from said lien by payment of the fractional or proportional amount attributable to each of the Condominium Units affected. Individual payment shall be computed by reference to the Unit's percentage ownership interest in the General Common Elements. Subsequent to payment, discharge or other satisfaction, the Condominium Unit shall be released from the lien paid, satisfied or discharged. Partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce his rights against any Condominium Unit not so released or discharged.

12.3 Indemnifications: Each Owner shall indemnify and hold each of the other Owners harmless from and against liability or loss arising from the claim of any lien against the Condominium Unit of the Owner, or any part thereof, for labor performed or for materials furnished in work on such Owner's Condominium Unit. At the written request of the Owner, the Association shall enforce such indemnity by collecting from the Owner of the Condominium Unit on which the labor was performed or materials furnished the amount necessary to discharge any such lien and all costs incidental thereto, including reasonable attorney's fees. If not promptly paid, the Association may proceed to collect the same in the manner provided herein for collection of assessments for the purpose of discharging the lien.

13. Use and Occupancy of Units. Each Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Unit shall be used for residential purposes only, and no Unit

shall be occupied for living or sleeping purposes by more persons than it was designed to accommodate safely. For the purpose of the foregoing sentence, each Unit shall be deemed to have been designed to accommodate safely a maximum of two permanent occupants per bedroom. No Unit shall be used at any time for any business or commercial activity, except as follows:

13.1 the Owner thereof may lease or rent such Unit for private residential or living purposes (subject to Paragraph 28.9 hereafter);

13.2 Declarant or its nominee or agents may use any Unit(s) as a model or sales unit until all Condominium Units owned by Declarant are sold; and

13.3 the Association shall have the right, but not the obligation, to purchase, own, or lease any Condominium Unit for a manager's residence or office, or building superintendent or engineer, and the Association may also maintain offices, within the General Common Elements.

14. Use of General and Limited Common Elements. Each Owner may use the General Common Elements and his appurtenant Limited Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners. The Association and/or the Board may from time to time adopt rules and regulations governing the use of General and Limited Common Elements, but such rules and regulations shall be uniform and non-discriminatory. Each Owner, by the acceptance of his deed or other instrument of conveyance or assignment agrees to be bound by any such adopted rules and regulations.

15. Various Rights and Easements.

15.1 Owner's Rights in Limited Common Elements: Subject to the other provisions of this Declaration, each Owner, his family and Guests, shall have an exclusive right to use and enjoy the Limited Common Elements designated herein, in the Map or in the initial deed from Declarant as appurtenant to the Condominium Unit owned by such Owner.

15.2 Association Rights: The Association, the Board and the Managing Agent shall have a non-exclusive right and easement to make such use of and to enter into or upon the General Common Elements, the Limited Common Elements and the Units as may be necessary or appropriate for the performance of the duties and functions which they are obligated or permitted to perform under this Declaration.

15.3 Easements for Access, Support and Utilities: Each Owner shall have a non-exclusive easement for access between his Unit and the roads and streets adjacent to the Project and the roads, streets and driveways in the Project, over and on the

halls, corridors, stairs, walks, bridges and exterior access and other easements which are part of the General Common Elements. Each Owner shall have a non-exclusive easement in, on and over the General Common Elements, including the General Common Elements within the Unit of another Owner, for horizontal and lateral support of the Unit which is part of his Condominium Unit, for utility service to that Unit, including but not limited to, water, sewer, gas, electricity, telephone and television service and for the release of smoke, arising from any fireplace within a Unit, through the flue leading therefrom. 17

15.4 Easements for Encroachments: If any part of the General Common Elements encroaches or shall hereafter encroach upon a Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Unit encroaches or shall hereafter encroach upon the General Common Elements, or upon another Unit, the Owner of that Unit shall and does have an easement for such encroachment and for the maintenance of same. Such encroachments shall not be considered to be encumbrances either on the General Common Elements or on a Condominium Unit for purposes of marketability of title or otherwise. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Building(s), by error in the Map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

15.5 Easements for Repairs, Maintenance and Emergencies: Some of the General Common Elements are or may be located within a Unit or may be conveniently accessible only through a particular Unit. The Association, Board and Managing Agent and each Owner shall have an easement, which may be exercised for any Owner by the Association, the Board or the Managing Agent, as his agent, for access through each Unit and to all Common Elements, from time to time, during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements located therein necessary to prevent damage to the Common Elements or to another Unit. Non-emergency repairs shall be made only during regular business days after at least twenty-four (24) hours' notice to the occupants of the Unit wherein such repairs are to be made, except where the occupants have no objections to earlier entry for repairs. In emergency situations, the occupants of the affected Unit shall be warned of impending entry as early as is reasonably possible. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, or as a result of emergency repairs within another Unit, at the instance of the Association, the Board or the Managing Agent, shall be a Common Expense of all of the Owners. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be sub-

- substantially the same as the condition in which they existed prior to the damage. Notwithstanding the foregoing, if any such damage is the result of the carelessness or negligence of any Owner, then such Owner shall be solely responsible for the costs and expenses of repairing such damage.

15.6 Easements Deemed Appurtenant: The easements, uses and rights herein created for an Owner shall be appurtenant to the Condominium Unit of that Owner and all conveyances of and other instruments affecting title to a Condominium Unit shall be deemed to grant and reserve the easements, uses and rights as are provided for herein, even though no specific reference to such easements, uses and rights appears in any such conveyance.

15.7 Emergency Easement: A non-exclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or persons, now or hereafter servicing the Project, to enter upon all streets, roads and driveways located in the Project, and upon the Property, in the performance of their duties.

15.8 Easements for Drainage: An easement is hereby granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of a Condominium Unit or of the Common Elements for the purpose of changing, correcting or otherwise modifying the drainage of the Property so as to improve the drainage of water on the Property.

16. Owners' Maintenance Responsibility. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own and shall have the right and obligation to maintain, repair, alter and remodel, the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile, and flooring, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit's doors and windows, including any patio, balcony, yard or deck enclosure. No Owner shall, however, make any changes or alterations of any type or kind to the exterior surfaces of the doors or windows to his Unit nor to any General Common Elements (including, but not limited to, the exterior portions of his Unit). The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") running through his Unit which serve one or more other Units, except as a tenant in common with the other Owners. Each Owner shall have the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An Owner shall maintain and keep in good repair and in a clean, safe, attractive and sightly condition the interior of his Unit, including the fixtures, doors and windows thereof and the improvements affixed thereto, and such other items and areas as may be required in the Bylaws. Also, an Owner shall maintain, clean and keep in a neat

and clean condition the fireplace within his Unit, the deck, yard, porch, balcony and/or patio area adjoining and/or leading to a Unit or located between the garage and the Unit, if any, which areas are Limited Common Elements appurtenant to such Owner's Condominium Unit. All fixtures, appliances and equipment installed within a Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. If any Owner fails to carry out or neglects the responsibilities set forth in this paragraph, the Board or the Managing Agent may fulfill the same and charge such Owner therefor. Any expense incurred by an Owner under this paragraph shall be the sole expense of said Owner.

17. Compliance With Provisions of the Declaration, Articles and Bylaws of the Association. Each Owner shall comply strictly with, and shall cause each of his Guests to comply strictly with, all of the provisions of this Declaration and the Articles and Bylaws, and the decisions, rules, regulations and resolutions of the Association or the Board adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, along with costs of suit and reasonable attorney's fees, maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

18. The Association.

18.1 General Purposes and Powers: The Association, through the Board or the Managing Agent, shall perform functions and hold and manage property as provided in this Declaration so as to further the interests of Owners of Condominium Units in the Project. It shall have all powers necessary or desirable to effectuate such purposes.

18.2 Members: The Owner of a Condominium Unit shall automatically become a member of the Association. Said membership is appurtenant to the Condominium Unit of said Owner and shall automatically pass with fee simple title to the Condominium Unit. Each Owner shall automatically be entitled to the benefits and subject to the burdens relating to the membership for his Condominium Unit. If the fee simple title to a Condominium Unit is held by more than one Person, each Owner of a Condominium Unit shall be a member of the Association. Memberships in the Association shall be limited to Owners of Condominium Units in the Project.

18.3 Board of Directors: The affairs of the Association shall be managed by the Board of Directors which may by resolution delegate any portion of its authority to an executive committee, or to a director or Managing Agent for the Association. There shall be not less than three (3) nor more than ten (10) members of the Board of Directors, the specific number to be set forth from time to time in the Bylaws, all of whom shall be

Owners elected by Owners. Regardless of the number of members of the Board of Directors, the terms of at least one-third (1/3) of such members of the Board of Directors shall expire annually. Notwithstanding anything to the contrary provided for herein, however, until one hundred twenty (120) days after Declarant has conveyed seventy-five percent (75%) of the Condominium Units to Owners, or until December 31, 1987, whichever event shall first occur, the members of the Board of Directors shall be appointed by Declarant, its successors or assigns.

18.4 Voting Rights of Owners: The Owner or Owners of each Condominium Unit shall be entitled to one vote for each such Condominium Unit owned by said Owner or Owners.

18.5 Bylaws and Articles: The purposes and powers of the Association and the rights and obligations with respect to Owners set forth in this Declaration may and shall be amplified by provisions of the Articles and Bylaws of the Association.

19. Certain Rights and Obligations of the Association.

19.1 Association as Attorney-in-Fact for Owners: The Association is hereby irrevocably appointed attorney-in-fact for the Owners, and each of them, to manage, control and deal with the interest of each Owner in the General Common Elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder, to deal with the Project upon its destruction or obsolescence as hereinafter provided and to grant utility easements through any portion of the General Common Elements. The acceptance by any Person of any interest in any Condominium Unit shall constitute an appointment of the Association as attorney-in-fact as provided above and hereinafter. The Association is hereby granted all of the powers necessary to govern, manage, maintain, repair, rebuild, administer and regulate the Project and to perform all of the duties required of it. Notwithstanding the above, but subject to the provisions of Paragraphs 8, 29 and 30 and subsection 31.2 hereof, unless at least two-thirds (2/3) of the first Mortgagees of Condominium Units, or at least two-thirds (2/3) of the Owners (excluding Declarant) have given their prior written approval, the Association shall not be empowered or entitled to:

19.1.1 by act or omission, seek to abandon or terminate the Project;

19.1.2 change the pro rata interest or obligations of any individual Condominium Unit for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; provided, however, that the Declarant's right to annex additional property and thereby change the pro rata interest or obligations of any individual Condominium Unit shall not be restricted as allowed in Paragraph 33 of the Declaration;

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19.1.3 partition or subdivide any Condominium Unit;

19.1.4 by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer (excluding the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Elements) any of the General or Limited Common Elements; provided, however, that the foregoing restriction shall not prejudice Declarant's rights under Paragraph 33 of this Declaration; and

19.1.5 use hazard insurance proceeds for loss to the improvements (whether Units or Common Elements) for other than repair, replacement or reconstruction of such improvements.

19.2 Maintenance of General Common Elements: The Association shall provide for the care, operation, management, maintenance, repair and replacement of the General Common Elements, except as provided for in Paragraph 16 herein. Without limiting the generality of the foregoing, said obligations shall include the keeping of such General Common Elements in good, clean, attractive and sanitary condition, order and repair; removing snow and any other materials from such General Common Elements which might impair access to the Project or the Units; keeping the Project safe, attractive and desirable; and making necessary or desirable alterations, additions, betterments or improvements to or on the General Common Elements.

19.3 Other Association Functions: The Association may undertake any activity, function or service for the benefit of or to further the interests of all of the Owners on a self-supporting, special assessment or common assessment basis. Such activities, functions or services may include the providing of police or similar security services, the providing of garbage and trash collection services, the providing of firewood, and the providing of maid and cleaning service for all Units.

19.4 Labor and Services: The Association:

19.4.1 may obtain and pay for the services of a Managing Agent to manage its affairs, or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any Person with whom or which it contracts;

19.4.2 may obtain and pay for legal and accounting services necessary or desir-

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able in connection with the operation of the Project or the enforcement of this Declaration; and

19.4.3 may arrange with others to furnish lighting, heating, water, trash collection, sewer service and other common services. Any agreement for professional management of the Project, or any other contract providing for services of the developer, sponsor, or builder, may not exceed one (1) year. Any such agreement shall provide for termination by either party with or without cause and without payment of termination fee on thirty (30) days' written notice. Such agreements shall be renewable by the consent of the Association and management.

19.5 Property of Association: The Association may pay for, acquire and hold or lease real property (for the purpose set forth in Paragraph 13 herein) and tangible and intangible personal property and may dispose of the same by sale or otherwise. Subject to the rules and regulations of the Association, each Owner and each Owner's family and Guests may use such property. Upon termination of condominium ownership of the Project and dissolution of the Association, if ever, the beneficial interest in any such property shall be dedicated, granted, conveyed and/or assigned as provided for in the Articles of Incorporation of the Association. A transfer of a Condominium Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the beneficial interest in such property associated with the foreclosed Condominium Unit.

19.6 Association's Right to Lease and License General Common Elements: The Association shall have the right to lease or license or permit the use of, by less than all Owners or by non-owners, on either a short-term basis or long-term basis and with or without charge as the Association may deem desirable, any portion of the General Common Elements or any Condominium Unit owned by the Association (which Condominium Unit may be purchased from the Declarant as provided in Paragraph 13 hereinabove). The rights granted to the Association in this subparagraph shall only be used in the promotion of the collective best interests of the Owners.

19.7 Mortgagee Notification: The Association shall notify each first Mortgagee of any proposed amendment of the Association's Articles or Bylaws or any change in the Association's Managing Agent at least ten (10) days prior to the effective date

of such amendment or change. Further, upon the written request of any first Mortgagee, such first Mortgagee shall be entitled to receive the most recent annual financial statement of the Association and written notice of all meetings of the Association and such first Mortgagee shall have the right to designate a representative to attend any such meeting. 2-

19.8 Enforcement by the Association: The Board may suspend any Owner's voting rights in the Association or the right of an Owner to use the recreational facilities of the Project during any period or periods during which such Owner fails to comply with the Association's rules and regulations, or with any other obligations of such Owner under this Declaration. The Association or any aggrieved Owner may also take judicial action against any Owner or the Association to enforce compliance with such rules, regulations or other obligations herein or in the By-laws contained or to obtain damages for noncompliance thereof, all to the extent permitted by law.

19.9 Membership in the Board: The Board of Directors may, from time to time, record a certificate of the identity and the mailing addresses of the persons then comprising the Board of Directors, together with the identity and address of the Managing Agent, if any. Such certificate shall be conclusive evidence thereof in favor of any Person relying thereon in good faith regardless of the time elapsed since the date thereof.

19.10 Implied rights: The Association shall have and may exercise any right or privilege given to it expressly by this Declaration or the Articles or Bylaws, or reasonably to be implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

20. Assessment for Common Expenses.

20.1 Personal Obligation: All Owners, by acceptance of a deed or other instrument of transfer of his Condominium Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), shall be personally obligated and is deemed to personally covenant and agree, jointly and severally, with all other Owners and with the Association, and hereby does so covenant and agree (a) to pay the estimated assessments imposed by the Board of Directors to meet the Common Expenses, and (b) to pay special assessments; such assessments to be established and collected as hereinafter provided. All assessments shall be allocated equally among the Condominium Units within the Project. Except as hereinbefore provided, the Limited Common Elements shall be maintained as General Common Elements and Owners having the exclusive use thereof shall not be subject to any special charges or assessments. Assessments for the estimated Common Expenses shall be due monthly, in advance, on the first day of each month. The Managing Agent or Board of Directors shall prepare and deliver or mail to each Owner an itemized annual statement showing the various estimated or actual expenses

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for which the assessments are made. Contributions for monthly assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the first day of a month. The assessments made for Common Expenses shall be based upon the requirements deemed to be such aggregate sum as the Managing Agent or Board of Directors shall from time to time determine is to be paid to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the General Common Elements, which sum may include, among other things: expenses of management, taxes and special assessments, until separately assessed; premiums for insurance of the types and kinds provided for in Paragraph 23 hereafter; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash collections; wages; water and sewer charges; legal and accounting fees; capital expenditures made by the Board not exceeding Twenty-five Thousand Dollars (\$25,000.00) in any one calendar year (unless a greater amount is approved by Owners owning a majority interest in the General Common Elements); expenses and liabilities incurred by the Managing Agent or Board of Directors under or by reason of this Declaration; deficits remaining from a previous period; and other costs and expenses relating to the Common Elements. Further, it shall be mandatory for the Managing Agent or Board to establish, out of such monthly assessment, a contingency or reserve fund for the repair, replacement and maintenance of those General Common Elements that must be replaced periodically. The omission or failure of the Managing Agent or the Board of Directors to fix the assessment for any month shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay same. Any Owner or first Mortgagee may, pursuant to Colo. Rev. Stat. § 38-33-107 (1973, as amended), inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten days' notice to the Board of Directors or Managing Agent, if any, and upon payment of a reasonable fee, not to exceed Twenty Dollars (\$20.00), any Owner or first Mortgagee of such Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. At the end of any calendar year, the Board of Directors or the Managing Agent may, but shall not be required to, refund to each Owner his proportionate share of funds then held by the Association which are not deemed to be necessary to meet the Common Expenses. Each Owner shall be obligated to pay all charges for any separately metered utilities servicing his Unit. All utilities that are master metered shall be a Common Expense hereunder.

20.2 Special Assessments: The Board of Directors shall have the right during any calendar year to levy and assess against all of the Owners a special assessment for such purpose or purposes, in accordance with this Declaration, the Articles or Bylaws, as may be necessary to keep the Project as a first class residential property.

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20.3 Exemptions: Subject to the following sentence of this Section, a Condominium Unit owned by Declarant shall be fixed at twenty-five percent (25%) of the annual and special assessments as are applicable to a Condominium Unit, until such time as the certificate of occupancy is issued by the appropriate governmental authority for such Condominium Unit, and thereafter such Condominium Unit owned by Declarant shall be subject to the same annual and special assessments as are applicable to a Condominium Unit. If the annual and special assessments levied by the Association as set forth in this paragraph 20 shall not be sufficient in amount to allow the Association to reasonably maintain the General Common Elements in a good, clean, attractive and sanitary condition, order and repair, then the Declarant shall be responsible for the payment of such additional assessments as may be necessary to so maintain the Common Elements; provided, however, that the foregoing shall not be interpreted to require Declarant to pay more in total assessments under this Section than the assessments it would have paid for Condominium Units owned by it had Declarant not been subject to an assessment rate of twenty-five percent (25%) of that amount for such Condominium Units prior to the time that the certificate of occupancy was issued for the Condominium Unit. The foregoing right of the Declarant to pay reduced annual and special assessments and the covenant of Declarant to be responsible for the payment of such additional amount or amounts shall automatically terminate, expire and become null and void one (1) year after the Declarant has conveyed seventy-five percent (75%) of the Condominium Units, or December 31, 1987, whichever first occurs.

21. Assessment Reserves. The Association shall require an Owner, other than Declarant, to deposit with the Association an amount not less than two (2) times and not greater than six (6) times the amount of the estimated monthly common assessment, which sum shall be held, without interest, by the Association or Managing Agent as a reserve to be used for paying such Owner's monthly common assessment and for working capital. Such an advance payment shall not relieve an Owner from making the regular monthly payment of the monthly common assessment as the same comes due. Upon the transfer of his Condominium Unit, an Owner shall be entitled to a credit from this transferee for any unused portion thereof.

22. Additions, Alterations and Improvements to the General and Limited Common Elements. There shall be no capital additions, alterations or improvements, of or to the General or Limited Common Elements by the Association requiring expenditure(s) in excess of Twenty-five Thousand Dollars (\$25,000.00) in any one (1) calendar year without prior approval by the Owners owning a majority interest in the General Common Elements, except in the event of an emergency; the limitations set forth above shall not apply to any expenditures made by the Association for maintenance and repair of the Common Elements as set forth in Paragraph 19 hereof, or for repair in the event of damage, destruction or condemnation as provided in Paragraphs 29 and 30 hereof.

23. Insurance.

23.1 The Board of Directors or the Managing Agent shall obtain and maintain at all times, to the extent obtainable, policies of insurance, written with financially responsible and able companies licensed to do business in Colorado, covering the risks set forth below. The types of coverages to be obtained and risks to be covered are as follows, to-wit:

23.1.1 Insurance against loss or damage by fire and lightning, and such other hazards as are customarily covered in condominium projects in the County of Jefferson, Colorado, under extended coverage and all risk endorsements. Said casualty insurance shall insure the entire Project and any property, the nature of which is a Common Element (including all of the Units and the fixtures therein initially installed or conveyed by the Declarant, but not including improvements, fixtures, decorating, furniture, furnishings, appliances, or other personal property supplied by or installed by Owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation. All policies shall contain a standard non-contributory mortgage clause in favor of each first Mortgagee, which shall provide that the loss, if any, thereunder, shall be payable to the Association for the use and benefit of such first Mortgagees as their interests may appear.

23.1.2 If the Project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the Project in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the first Mortgages on the Condominium Units comprising the Project.

23.1.3 Public liability and property damage insurance in such limits as the Board or Managing Agent may from time to time determine, but not in an amount less than Five Hundred Thousand Dollars (\$500,000.00) per injury, per person, per occurrence and covering all claims for bodily injury or property

damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the Project. All liability insurance shall name the Association, the Board, the Owners and the officers of the Association, as insureds thereunder. If there are steam boilers in operation on the Project, there must be in force boiler explosion insurance providing for not less than Fifty Thousand Dollars (\$50,000.00) per accident per location.

23.1.4 Workmen's Compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

23.1.5 Fidelity coverage against dishonesty of employees or any other Person handling funds of the Association, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation. Such Fidelity bonds should name the Association as obligee and be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Condominium Project, including reserves.

23.1.6 The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project, including plate or other glass insurance and any personal property of the Association located thereon.

23.2 All policies of insurance, to the extent obtainable, shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of an Owner and shall provide that such policies may not be cancelled or modified without at least twenty (20) days' prior written notice to all of the Owners, first Mortgagees and the Association. If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all first Mortgagees at least ten (10) days prior to expiration of the then current policies. All casualty insurance shall be carried in blanket form naming the Association as the insured, as

attorney-in-fact for all of the Owners and first Mortgagees, as their interests may appear, which policy or policies shall identify the interest of each Owner (Owner's name and Condominium Unit number designation) and first Mortgagee. 28

23.3 Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions of this insurance paragraph, the Board or Managing Agent shall obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the entire Project, without deduction for depreciation, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph. In no event shall the insurance policy contain a co-insurance clause for less than eighty percent (80%) of the full replacement cost. Determination of maximum replacement value shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacement cost, and each first Mortgagee, if requested, shall be furnished with a copy thereof, within thirty (30) days after receipt of such written appraisals. Such amounts of insurance shall be contemporized annually in accordance with their currently determined maximum replacement value.

23.4 Owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by Owners.

23.5 Insurance coverage on improvements and fixtures installed by an Owner and furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of personal property belonging to an Owner, and public liability coverage within each Unit shall be the sole and direct responsibility of the Owner thereof, and the Board of Directors, the Association and/or the Managing Agent shall have no responsibility therefor.

23.6 In the event that there shall be any damage, destruction or loss to a Unit which exceeds One Thousand Dollars (\$1,000.00) or any damage, destruction or loss to the Common Elements which exceeds Ten Thousand Dollars (\$10,000.00), then notice of such damage or loss shall be given by the Association to the first Mortgagee of said Condominium Unit within ten (10) days after the occurrence of such event.

23.7 All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring

before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect. 29

24. Lien for Non-Payment of Common Expense. All sums assessed by the Association, but unpaid, for the share of Common Expenses chargeable to any Condominium Unit shall constitute a lien on such Condominium Unit superior (prior) to all other liens and encumbrances, excepting only:

24.0.1 Tax and special assessment liens on the Condominium Unit in favor of any governmental assessing entity, and

24.0.2 The lien of any purchase money loan evidenced by a first Mortgage of record (including deeds of trust) and to any executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not. Sale or transfer of any Condominium Unit shall not affect the lien for said assessment charges except that sale or transfer of any Condominium Unit pursuant to foreclosure of any such Mortgage or any such executory land sales contract, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract shall extinguish the lien of assessment charges which became due prior to any such transfer or foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture of any such executory land sales contract. No such sale, transfer, foreclosure or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture of any such executory land sales contract shall relieve any Condominium Unit from liability for any assessment charges thereafter becoming due nor from the lien thereof. <

The lien of the Association assessments shall be superior to any homestead exemption as is now or may hereafter be provided by Colorado or federal law. The acceptance of a deed to a Condominium Unit subject to this Declaration shall constitute a waiver of the

homestead exemption as against said assessment lien.

24.1 If any assessment shall remain unpaid after ten (10) days after the due date thereof, the Board of Directors or Managing Agent may impose a late charge on such defaulting Owner in an amount not exceeding Fifteen Dollars (\$15.00) to cover the extra cost and expenses involved in handling such delinquent assessments.

24.2 To evidence such lien the Board of Directors or Managing Agent shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one of the Board of Directors or by the Managing Agent and shall be recorded in the office of the Clerk and Recorder of the County of Jefferson, Colorado. Such lien for the Common Expenses shall attach upon the failure of payment of the assessment on the date due. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage on real property, upon the recording of a notice or claim thereof. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay the Association the monthly assessment for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to the appointment of a Receiver to collect the same. The Managing Agent or Board of Directors shall have the power to bid on the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

24.3 Any encumbrancer holding a lien on a Condominium Unit may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Condominium Unit, and upon such payment such encumbrancer shall have a lien on such Condominium Unit for the amounts paid of the same rank as the lien of his encumbrance, provided that any first Mortgagee who acquires a Condominium Unit by foreclosure or by a deed in lieu thereof shall acquire title to such Condominium Unit free and clear of any lien for unpaid Common Expenses and shall only be responsible for Common Expenses arising after the date upon which such first Mortgagee receives a deed to the Condominium Unit.

24.4 The Association shall, upon request, deliver written notice to the first Mortgagee of a Condominium Unit of any unpaid assessments remaining unpaid for longer than thirty (30) days after the same are due, as well as, of any other default of an owner hereunder known to the Association which is not cured within sixty (60) days.

24.5 Declarant states in accordance with the requirements of the Colorado Condominium Ownership Act, that it is pos-

sible that liens other than mechanic's liens, assessment liens and tax liens, may be obtained against the Common Elements, including judgment liens and Mortgage liens. 3

24.6 Each Owner hereby agrees that the Association's lien on a Condominium Unit for assessments as hereinbefore described shall be superior to the Homestead Exemption provided by Colo. Rev. Stat. § 38-41-201, et. seq. (1973, as amended) and each Owner hereby agrees that the acceptance of the deed or other instrument of conveyance in regard to any Condominium Unit within the Project shall signify such grantee's waiver of the Homestead right granted in said section of the Colorado statutes.

24.7 Any recorded lien for non-payment of the Common Expenses may be released by recording a Release of Lien executed by one of the Board of Directors or by the Managing Agent.

25. Owners' Personal Obligation for Payment of Assessments. The amount of the Common Expenses assessed against each Condominium Unit shall be the personal and individual debt of the Owner or Owners thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses, and costs of suit and attorney's fees, shall be maintainable without foreclosing or waiving the lien securing same. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Condominium Unit. The personal obligation of an Owner for delinquent assessments shall not pass to such Owner's successors in title or interest to a Condominium Unit, unless assumed by them, or unless otherwise required by applicable law.

26. Liability for Common Expenses Upon Transfer of Condominium Unit.

26.1 Upon payment of a reasonable fee not to exceed Twenty Dollars and upon ten (10) days' prior written notice from any Owner or any Mortgagee or prospective Mortgagee of a Condominium Unit, the Association, by its Managing Agent or Board of Directors, shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Condominium Unit, the amount of the current monthly assessment, the date that such assessment becomes due, the amount of any assessment reserve on deposit with the Association and any credit for advanced payments for prepaid items, including but not limited to insurance premiums, which statement shall be conclusive upon the Association in favor of all Persons who rely thereon in good faith. Unless such request for such a statement shall be complied with within ten (10) days from the receipt thereof, all unpaid Common Expenses which become due prior to the date of making such request shall be subordinate to the lien of the Person requesting such statement.

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26.2 The personal obligation of an Owner for delinquent assessments shall not pass to such Owner's successors in title or interest to a Condominium Unit, unless assumed by them, or unless otherwise required by applicable law.

27. Owners Mortgaging Rights in a Condominium Unit. Any Owner shall have the right from time time to mortgage or encumber his Condominium Unit by deed of trust, mortgage or other security instrument. The Owner of a Condominium Unit may create junior Mortgages (junior to the lien, deed of trust or other encumbrance of the first Mortgagee) on his Condominium Unit on the following conditions: (1) that any such junior Mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for Common Expenses, and other obligations created by this Declaration, and the By-laws; and (2) that the Mortgagee under any junior Mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a junior Mortgagee upon written request of the Managing Agent or one or more of the Board of Directors of the Association, and if not furnished, may be executed by the Association, as attorney-in-fact for such junior Mortgagee.

28. Restrictive Covenants and Obligations.

28.1 No Imperiling of Insurance: No Owner and no Owner's Guests shall do anything or cause anything to be kept in or on the Project which might result in an increase in the premises of insurance obtained for the Project or which might cause cancellation of such insurance.

28.2 No Violation of Law: No Owner and no Owner's Guests shall do anything or keep anything in or on the Project which would be immoral, improper, offensive or in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

28.3 No Noxious, Offensive, Hazardous or Annoying Activities: No noxious or offensive activity shall be carried on upon any part of the Project nor shall anything be done or placed on or in any Part of the Project which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others. No activity shall be conducted on any part of the Project and no improvements shall be made or constructed on any part of the Project which are or might be unsafe or hazardous to any Person or property. No sound shall be emitted on any part of the Project which is unreasonably loud or annoying. No odor shall be emitted on any part of the Project with is noxious or offensive to others.

28.4 No Unsightliness: No unsightliness or waste shall be permitted on or in any part of the Project. Without limiting the generality of the foregoing, no Owner shall keep or store anything (except in designated storage areas, if any) on or in any of the General Common Elements; nor shall any Owner hang, erect, affix or place anything upon any of the General Common Elements (except for decorative items within his Unit); and nothing shall be placed on or in windows or doors of Units, which would or might create an unsightly appearance. 33

28.5 Restrictions on Animals: No animals, livestock, reptiles or birds shall be kept on any part of the Project, except that one (1) domesticated dog or cat not exceeding twenty (20) pounds, and birds or fish may be kept in a Unit, subject to all governmental animal ordinances and laws and subject to rules and regulations promulgated by the Association or Board in regard thereto, provided that they are not kept for any commercial purposes. An Owner is responsible for any damage caused by his animal(s) and shall be obligated to clean up after his animal(s) on the Project. No animals shall be allowed to remain tied or chained to any balconies, patios or other parts of the Project, and any such animal(s) so tied or chained may be removed by the Association or its agents.

28.6 Restrictions on Signs: With the exception of the Declarant's directional, promotional, and advertising signs, no signs or advertising devices of any nature shall be erected or maintained on any part of the Project without the prior written consent of the Board. The Board shall permit the placing of at least one sign of reasonable size and dignified form to identify the Project and the Condominium Units therein.

28.7 No Violation of Rules: No Owner and no Owner's Guests shall violate the rules and regulations adopted from time to time by the Association, whether relating to the use of Units, the use of General or Limited Common Elements, or otherwise.

28.8 Owner Caused Damages: If, due to the act or neglect of an Owner or such Owner's Guests or family, loss or damage shall be caused by any Person or property, including the Project or any Unit therein, such Owner shall be liable and responsible for the same except to the extent that such damage or loss is covered by insurance obtained by the Association and the carrier of the insurance has waived its rights of subrogation against such Owner. The amount of such loss or damage may be collected by the Association from such Owner as an assessment against such Owner, by legal proceedings or otherwise, and such amount (including reasonable attorneys' fees) shall be secured by a lien on the Condominium Unit of such Owner as provided hereinabove for assessments or other charges.

28.9 Leasing of a Condominium Unit: The Owner of a Condominium Unit, with the express written consent of the first Mortgagee thereof, may lease his Condominium Unit under the following conditions:

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28.9.1 No Owner may lease less than his entire Condominium Unit;

28.9.2 All leases shall be in writing;

28.9.3 All leases shall provide that the terms of the lease and the lessee's occupancy of the Condominium Units shall be subject in all respects to the provisions of this Declaration and to the provisions of the Articles and Bylaws. Any failure by the lessee to comply therewith shall be a default under the lease. Any Owner who leases his Condominium Unit shall, within ten (10) days after the execution of such lease, forward a copy of the same to the Board or the Managing Agent;

28.9.4 Except for a first Mortgagee in possession of a Condominium Unit following the default under its Mortgage or in connection with the foreclosure proceedings or any deed or other arrangement in lieu of foreclosure proceedings by such first Mortgagee, no Owner may lease his Condominium Unit for a period of less than three (3) months.

28.10 Restrictions on Vehicles: No trucks, commercial vehicles, trailers, mobile homes or detached camper units shall be kept, stored or maintained upon the Common Elements; provided, however, that commercial vehicles may be parked in designated parking areas upon the Common Elements for up to seventy-two (72) hours. Boats and other similar watercraft shall not be kept, stored, parked or maintained upon the Common Elements. No damaged or unsightly vehicles shall be kept, stored, parked or maintained upon the Common Elements. Furthermore, parking of all vehicles shall be subject to the rules and regulations of the Association.

28.11 Determination of Violation: Determination with respect to whether or not a particular activity or occurrence shall constitute a violation of this Paragraph 28 shall be made by the Board of Directors and shall be final.

29. Association as Attorney-in-Fact - Damage and Destruction - Obsolescence. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Project upon its destruction, repair or obsolescence.

Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint the Association, in their names, place and stead as attorney-in-fact for the purpose of dealing with the Project upon its destruction, repair or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its president and secretary, shall

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have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of an Owner which is necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the damage, with each Unit and the General Common Elements and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. Except as is otherwise herein provided, the proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration or replacement unless all Owners and all first Mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

Assessments for Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction.

29.1 In the event of damage or destruction to the Project to the extent of not more than sixty-six and two-thirds percent (66-2/3%) of the total replacement cost thereof, not including land, due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s) shall be applied by the Association, as attorney-in-fact, to cause the repair and restoration of the improvement(s).

29.2 If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is to the extent of not more than sixty-six and two-thirds percent (66-2/3%) of the total replacement cost of the Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Such deficiency assessment shall be a Common Expense and pro rated according to each Owner's interest in the General Common Elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements using all of the insurance proceeds and such assessment. The assessment provided for herein shall be a debt of each Owner collected as is provided hereinbefore.

29.3 If the Project is damaged or destroyed to the extent of more than sixty-six and two-thirds percent (66-2/3%) of the total replacement cost thereof, not including land, and if the Owners representing an aggregate ownership interest of seventy-five percent (75%) or more of the General Common Elements do not voluntarily, within one hundred (100) days thereafter, make provisions for reconstruction, which plan must have the approval or consent of at least seventy-five percent (75%) of the first Mortgagees (based upon one vote for each first Mortgage owned) the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice

by the Association's president and secretary, the entire remaining Project shall be sold by the Association, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the Articles and By-laws. The insurance settlement proceeds shall be collected by the Association and such proceeds shall be divided by the Association according to each Owner's interest (as such interests appear on the policy or separate accounts), each such account representing one of the Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the apportioned amount of the proceeds derived from the sale of the entire Project. Such apportionment shall be based upon each Owner's percentage interest in the General Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, in the following order:

- (i) for payment of taxes and special assessment liens in favor of any governmental entity;
- (ii) for payment of the balance of the lien of any first Mortgage;
- (iii) for payment of unpaid Common Expenses;
- (iv) for payment of junior Mortgages and encumbrances in the order of and to the extent of their priority; and
- (v) the balance remaining, if any, shall be paid to the Owner.

The provisions contained in this subparagraph shall not hinder the protection given to the first Mortgagee under a mortgagee endorsement.

29.4 If the Project is destroyed or damaged to the extent of more than sixty-six and two-thirds percent ($66\frac{2}{3}\%$) of the total replacement cost thereof, not including land, and if the Owners representing an aggregate ownership interest of seventy-five percent, or more, of the General Common Elements adopt, within one hundred (100) days thereafter, a plan for reconstruction, which plan must have the approval or consent of at least seventy-five percent (75%) of the first Mortgagees (based upon one vote for each First Mortgage owned), then all of the Owners shall be bound by the terms and other provisions of such plan. The Association shall have the right to use, in accordance with such plan, all proceeds of insurance for such destruction or damages, as well as the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Any assessment made in connection with such plan shall be a Common Expense and made pro rata according to each Owner's percentage interest in the General Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice thereof. The Association shall have

full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the improvements, using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided hereinabove.

29.5 The Owners representing an aggregate ownership interest of eighty-five percent (85%), or more, of the General Common Elements may agree that the Condominium Units are obsolete and adopt a plan for the renewal and reconstruction, which plan shall have the approval or consent of at least eighty-five percent (85%) of the first Mortgagees (based upon one vote for each first Mortgage owned). If a plan for the removal or reconstruction is adopted, notice of such plan shall be recorded, then the expenses thereof shall be payable by all of the Owners as Common Expenses; provided, however, that an Owner not a party to such a plan for renewal or reconstruction may give written notice to the Association within fifteen (15) days after the adoption of such plan that his or its Condominium Unit shall be purchased by the Association for the fair market value thereof. The Association shall then have fifteen (15) days within which to cancel such plan. If such plan is not cancelled, then the Condominium Unit shall be purchased by the Association according to the following procedures. If such Owner and the Association can agree on the fair market value thereof, then such shall be consummated within thirty (30) days thereafter. If the parties are unable to agree, the date when either party notified the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned in this subparagraph shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) an independent appraiser. If either party fails to make such a nomination, the appraiser shall, within five (5) days after default by the other party, appoint and associate with him another independent appraiser. If the two appraisers designated by the parties, or selected pursuant hereto in the event of the default of one party, are unable to agree, they shall appoint another independent appraiser to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two independent appraisers and from the names of the four persons so nominated one shall be drawn by lot by any judge of any court of record in Colorado and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen (15) days thereafter,

and the Association, as attorney-in-fact, shall disburse such proceeds as is provided in subsection 29.3 of this paragraph. 32

29.6 The Owners representing an aggregate ownership interest of eighty-five percent (85%), or more, of the General Common Elements may agree that the Condominium Units are obsolete and that the same should be sold. Such plan (agreement) must have the unanimous approval or consent of every first Mortgagee. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire Project shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map, the Articles and the By-laws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the General Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subsection 29.3 of this paragraph.

30. Condemnation.

30.1 Consequences of Condemnation: If at any time or times during the continuance of condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed in lieu of or in avoidance thereof, the provisions of this Paragraph 30 shall apply.

30.2 Proceeds: All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association.

30.3 Complete Taking: In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, condominium ownership pursuant to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners in proportion to their respective undivided interests in the General Common Elements, provided that if a standard difference from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree, or otherwise, then in determining such share the same standard shall be employed to the extent it is relevant and applicable.

30.4 Partial Taking: In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, each Owner shall be

entitled to a share of the Condemnation Award to be determined in the following manner. As soon as practicable the Association shall, reasonably and in good faith, allocate the Condemnation Award among compensation, damages, and other proceeds, and shall apportion the amounts so allocated among the Owners as follows: (i) the total amount allocated to taking of, or injury to, the General Common Elements shall be apportioned among the Owners in proportion to their respective undivided interests in the General Common Elements; (ii) the total amount allocated to severance damages shall be apportioned to those Condominium Units which were not taken or condemned; (iii) the respective amounts allocated to the taking of, or injury to, a particular Unit and/or improvements an Owner had made within his own Unit shall be apportioned to the particular Condominium Unit involved; and (iv) the amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If any allocation of the Condemnation Award is already established in negotiation, judicial decree or otherwise, then in allocating the Condemnation Award the Association shall employ such allocation to the extent it is relevant and applicable. Any distribution of the Condemnation Award made pursuant to this subsection shall be made by checks payable jointly to the Owners and their first Mortgagees.

30.5 Distribution: The Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such share shall be paid into separate accounts and disbursed as soon as practicable, provided that in the event of a complete taking such distribution shall be made in the same manner as is provided in Paragraph 29.3 of this Declaration.

30.6 Mortgagee Notice: The Association shall give timely notice to each first Mortgagee of the commencement of any condemnation or eminent domain proceedings and shall notify said first Mortgagees in the event of the taking of all or any part of the Common Elements, if the value of the Common Elements taken exceeds Ten Thousand dollars (\$10,000.00).

30.7 Reorganization: In the event a partial taking results in the taking of a complete Unit, the Owner thereof automatically shall cease to be a member of the Association, and such Owner's interest in the General Common Elements shall thereupon terminate, and the Association, as attorney-in-fact for such Owner, may take whatever action is necessary and execute such documents as are necessary to reflect such termination. Thereafter the Association shall reallocate the ownership and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Condominium Units for amendment of this Declaration as provided in Paragraph 31.2 hereof.

31. Miscellaneous.

31.1 Duration of Declaration: All of the provisions contained in this Declaration shall continue and remain in full force and effect until condominium ownership of the Project and this Declaration are terminated, revoked, or amended as herein-after provided.

31.2 Amendment and Termination: Any provision contained in this Declaration may be amended, or additional provisions may be added to this Declaration, or this Declaration and condominium ownership of the Project may be terminated or revoked, by the recording of a written instrument or instruments specifying the amendment or addition or the fact of termination and revocation, executed by the Owners, as shown by the records in the office of the Clerk and Recorder of the County of Jefferson, Colorado, of Condominium Units representing an aggregate ownership interest of seventy-five percent (75%), or more, of the General Common Elements and seventy-five percent (75%) of the first Mortgagees whose liens encumber the General Common Elements (except that no provision of this Declaration requiring the approval or consent of more than seventy-five percent (75%) of such first Mortgagees may be amended without the consent of at least the minimum number of first Mortgagees whose approval or consent is required under such provision). Unless a first Mortgagee affirmatively objects in writing to proposed amendment, termination, or revocation of this Declaration and condominium ownership of the Property within thirty (30) days from written notification thereof, such first Mortgagee shall be deemed to have approved the tendered proposal. The consent(s) of any junior Mortgagees shall not be required under the provisions of this paragraph. The foregoing approvals shall not be required for, and with respect to, any annexations to this Declaration by the Declarant pursuant to Paragraph 33 hereof. Notwithstanding anything in this subparagraph to the contrary, if Declarant shall determine that any amendments to this Declaration or any amendments to the Articles, Condominium Map or Bylaws shall be necessary (i) in order for existing or future Mortgagees or the Project to be acceptable to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or other mortgage lending institution, or (ii) in order to clarify any apparently conflicting provision or to correct any mistakes or errors of a clerical nature resulting from typographical or similar errors, Declarant shall have and hereby specifically reserves the right and power to make and execute any such amendment without obtaining the approval of any Owners or Mortgagees. Each such amendment shall be made, if at all, by Declarant not later than the earlier of the following:

- (i) one hundred twenty (120) days after the date by which seventy-five percent (75%) of the Units have been conveyed to Unit purchasers; or
- (ii) December 31, 1987.

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The Association shall, at least ten (10) days prior to the effective date of any amendment to this Declaration, notify all first Mortgagees of record of such amendment.

31.3 Effect of Provisions of Declaration: Each provision of this Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration shall:

31.3.1 be deemed incorporated in each deed or other instrument by which any right, title or interest in the Project or in any Condominium Unit is granted, devised or conveyed, whether or not set forth or referred to in such deed or instrument;

31.3.2 by virtue of acceptance of any right, title or interest in the Project or in any Condominium Unit by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other Owner;

31.3.3 be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the Project and each Condominium Unit and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of the Project and each Condominium Unit; and

31.3.4 be deemed a covenant, obligation and restriction secured by a lien in favor of the Association, burdening and encumbering the title to the Project and each Condominium Unit in favor of the Association.

31.4 Protection of Encumbrancer: Subject to the provisions of Paragraph 27 above, no violation or breach of or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any first Mortgage or other lien on any Condominium Unit taken in good faith and for value; nor shall

such violation, breach, failure to comply or action to enforce, affect, defeat, render invalid or impair the title or interest of the holder of any such first Mortgage, or other lien or the title or interest acquired by any purchaser upon foreclosure of any such first Mortgage or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration; provided, however, that violation or breaches of, or failures to comply with, any provisions of this Declaration which occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, his heirs, personal representatives, successors or assigns. 42

31.5 Supplemental to Law: The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Colorado and to all other provisions of law.

31.6 Numbers and Genders: Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include both genders.

31.7 Owner's Address for Notices: Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given, by the Association under this Declaration to any Owner or any other written instrument to be given to any Owner may be mailed to such Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the Condominium Unit shown upon the Association's records as being owned by such Owner. If more than one Owner owns a particular Condominium Unit, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

31.8 Successors and Assigns: This Declaration shall be binding upon and shall inure to the benefit of the Declarant, the Association and each Owner, and the heirs, personal representatives, successors and assigns of each of them.

31.9 Severability: Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

31.10 Captions: The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provision of this Declaration.

31.11 No Waiver: Failure to enforce any provision of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration. 4-

31.12 Sales and Construction Facilities and Activities of Declarant: Notwithstanding any provision to the contrary contained herein, Declarant, its agent, employees and contractors shall be permitted to maintain during the period of any construction or the sale of the Condominium Units in the Project, upon such portion of the Project as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Condominium Units, including without limitation, a business office, storage area, construction yards, signs, model Units, sales office, construction office, parking areas and lighting and temporary parking facilities for all prospective tenants or purchasers of Condominium Units. In addition, Declarant, its agents, employees and contractors shall have the right to ingress and egress over the Common Elements as in Declarant's discretion may be necessary with regard to the foregoing. Further, Declarant, its agents, employees and contractors shall have the right, during reasonable business hours and upon reasonable notice, to ingress and egress in and through all Units during the period of the construction and/or sale of the Condominium Units for the purpose of any required refurbishment, construction, maintenance or repair to such Units or the Building, or any part thereof.

32. Recreational Facilities: The recreational facilities of the Project, which include a swimming pool and whirlpool, shall be subject to any rules and regulations promulgated by the Association, and same shall be available for use of all Owners and their Guests, subject to the right of the Association to establish fees and charges for the use of same. The Association may allow the general public to use said recreational facilities and collect an appropriate charge therefor.

33. Annexations.

33.1 Annexations by Declarant. Subject only to the prior written approval of the Veterans Administration to determine that the annexation is in accord with the general plan heretofore approved by the Veterans Administration and to insure that future improvements will be consistent in terms of quality of construction, Declarant shall have and hereby specifically reserves the right until December 31, 1986, to annex from time to time any portion or portions of the property described in Exhibit 3 attached hereto to the Property and to subject such additional property to the terms and provisions of this Declaration.

33.2 Condominium Map for Annexation. For any annexation by Declarant pursuant to the provisions of this Paragraph 33, Declarant shall cause an additional condominium map of such annexed property to be prepared and filed in the records of

the office of the Clerk and Recorder of the County of Jefferson, Colorado, prior to the conveyance of the first Condominium Unit in such annexation and such additional condominium map may be filed as a supplement to the Condominium Map hereto. 47

33.3 Modification of Undivided Interests. Upon Declarant's annexation of any additional property to this Declaration and the filing of the supplemental condominium map thereof, the undivided interest in the Common Elements (including all Common Elements located on the Property described in Exhibit 1 attached hereto, and all Common Elements located on the additional property contained in such annexation and all Common Elements contained in any other property annexed to this Declaration prior to such annexation) appurtenant to each Condominium Unit shall automatically be reduced to a fraction, the numerator of which shall be the number of square feet of floor space in each particular Condominium Unit and the denominator of which shall be the total number of square feet of floor space in all Condominium Units then subject to this Declaration. Such reduction of undivided interest in the Common Elements appurtenant to a Condominium Unit shall be automatic and no further documentation need be filed of record or further action need be taken by Declarant, any Owner or any Mortgagee to reflect such modification in undivided interests. The maximum number of additional Condominium Units which may be contained in properties annexed to this Declaration shall not exceed ninety-one (91). The minimum undivided interest in Common Elements appurtenant to a Condominium Unit shall be as set forth in Exhibit 4 attached hereto and incorporated herein by this reference.

33.4 New Additions of General and Limited Common Elements. Annexations to this Declaration pursuant to this Paragraph 33 will contain new additions to the General and Limited Common Elements, which additions may contain any or all of the types of General and Limited Common Elements described in subsections 1.3 and 1.7 hereof. Notwithstanding any such annexation, each Owner (regardless of whether such Owner is the owner of a Condominium Unit enumerated on Exhibit 2 attached hereto or is an owner of a Condominium Unit contained in an annexation) shall remain fully liable with respect to their obligation for the payment of the Common Expenses of the Association, including the expenses for such new General and Limited Common Elements and new recreational facilities, costs and fees, if any.

33.5 Taxes, Other Charges and Liability Insurance. In regard to any of the real property described in Exhibit 3 which the Declarant annexes to this Project pursuant to the terms of this Paragraph 33, the Declarant hereby covenants to pay all taxes, assessments, mechanic's liens or other charges affecting any property so annexed which arose prior to the date of annexation. Further, the Declarant agrees to purchase, at its expense, a liability insurance policy in an amount determined by the Administrator of Veterans Affairs to insure any liability to which Owners of previously sold Units might be exposed as a result of such annexation. This policy will be endorsed "as Owner's interest might appear."

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33.6 Comparable Style for Additional Units. Condominium Buildings and Condominium Units which are part of the original structures constructed by the Declarant on any property annexed by the Declarant as provided herein shall be of comparable style, floor plan, size and quality as the Condominium Buildings and Condominium Units existing on the Property at the date of such annexation.

33.7 General Easement. Each Owner shall have the nonexclusive right, together with all other Owners, to use all Common Elements, open spaces, recreational facilities, grass and landscaped areas and all other areas in the Project which are not herein specifically dedicated to the use of less than all of the Owners. This easement shall be irrevocable and shall be for the purposes of egress and ingress, recreational and social use and shall apply to all property hereafter committed to this Project.

33.8 Declarant Shall Have No Obligation to Annex. It is contemplated that additional property reflected on Exhibit 3 will ultimately be committed to this Project, but the Declarant, its appointees, successors and assigns, shall have no affirmative obligation to do so.

33.9 Successor Condominium Regimes. Declarant covenants and agrees that this Condominium Regime may not be amended or merged with a successor Condominium Regime without the prior written approval of the Administrator of Veterans Affairs, an officer of the United States of America.

34. New Additions of General and Limited Common Elements. Subject to the other provisions of this Declaration, the Association shall have the right to construct new additions to the General Common Elements. Ownership of, and the Common Expenses for any such additions, shall be apportioned among all Condominium Units in proportion to their respective undivided interest in the General Common Elements, which undivided interests are subject to modification by annexations pursuant to Paragraph 33 hereof. Except with respect to any annexations to this Declaration by the Declarant pursuant to Paragraph 33 hereof, the construction of new additions of General Common Elements shall not affect an Owner by way of modification of their voting rights in the Association.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 26th day of July, 1982.

ZEFF PROPERTIES
a Colorado General Partnership

By Kalman Zeff
KALMAN ZEFF

46

STATE OF COLORADO)
)
COUNTY OF Denver) SS

The foregoing instrument was acknowledged before me this 26th
day of July, 1982, by KALMAN ZEFF as a General Partner
of Zeff Properties, a Colorado General Partnership.

WITNESS my hand and official seal.

My commission expires: December 23, 1985.

My address is: 720 South Colorado Blvd. 7850
Denver Colorado 80222

Doreen A. Chandler
Notary Public

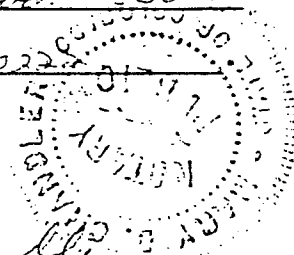


EXHIBIT 1Legal Description of Phase I:

A part of Section 8, Township 4 South, Range 69 West of the 6th Principal Meridian, City of Lakewood, County of Jefferson, State of Colorado, more particularly described as follows:

Commencing at the Northwest corner of Section 8: Thence S $01^{\circ} 44' 45''$ W, a distance of 1981.41 feet to the Southwest corner of the North Half (N1/2) of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4); thence N $89^{\circ} 57' 50''$ E, a distance of 1331.44 feet to the Southeast corner of the North Half (N1/2) of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4); thence N $61^{\circ} 25' 37''$ E, a distance of 306.51 feet; thence along the northerly right-of-way of Wright Street on the arc of a nontangent curve having a central angle of $91^{\circ} 15' 32''$, a radius of 330.00 feet, and an arc length of 525.61 feet (whose long chord bears N $17^{\circ} 03' 23''$ E, a distance of 471.79 feet), to the true point of beginning:

Thence N $27^{\circ} 18' 53''$ W, a distance of	125.00 feet;
Thence N $17^{\circ} 05' 30''$ E, a distance of	36.19 feet;
Thence N $33^{\circ} 41' 07''$ E, a distance of	264.23 feet;
Thence N $56^{\circ} 18' 53''$ W, a distance of	61.05 feet;
Thence N $33^{\circ} 09' 58''$ E, a distance of	34.58 feet;
Thence S $56^{\circ} 18' 53''$ E, a distance of	54.36 feet;
Thence N $33^{\circ} 41' 07''$ E, a distance of	34.00 feet;
Thence N $56^{\circ} 18' 53''$ W, a distance of	4.00 feet;
Thence N $33^{\circ} 41' 07''$ E, a distance of	36.98 feet;
Thence N $62^{\circ} 41' 07''$ E, a distance of	42.27 feet;
Thence S $27^{\circ} 18' 53''$ E, a distance of	339.76 feet;
Thence S $62^{\circ} 41' 07''$ W, a distance of	194.69 feet along the
northerly right-of-way of Wright Street;	
Thence N $27^{\circ} 18' 53''$ W, a distance of	108.00 feet;
Thence S $62^{\circ} 41' 07''$ W, a distance of	161.00 feet;
Thence S $27^{\circ} 18' 53''$ E, a distance of	108.00 feet;
Thence S $62^{\circ} 41' 07''$ W, a distance of	30.00 feet to the true
point of beginning, containing 1.819 acres, more or less.	

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EXHIBIT 2

<u>Condominium Building</u>	<u>Condominium Unit No.</u>	<u>Undivided Interest In the General Common Elements Appurtenant to each Condominium Unit *</u>
15B	B 9	.0566996
15B	B 10	.0538766
15B	B 11	.0548113
15B	B 12	.0538766
14B	B 13	.0548113
14B	B 14	.0538766
14B	B 15	.0538766
14B	B 16	.0566996
21C	C214	.0277403
21C	C314	.0311859
22C	C120	.0267378
22C	C220	.0277403
22C	C320	.0311859
22C	C119	.0257846
22C	C219	.0267871
22C	C319	.0302327
23C	C118	.0257846
23C	C218	.0267871
23C	C318	.0302327
23C	C117	.0257846
23C	C217	.0267871
23C	C317	.0302327
24C	C116	.0257846
24C	C216	.0267871
24C	C316	.0302327
24C	C115	.0267378
24C	C215	.0277403
24C	C315	.0311859

- * The undivided interest in the General Common Elements to each Condominium Unit is subject to modifications by annexations to this Declaration pursuant to the provisions of Paragraph 33 hereof.

EXHIBIT 3Legal Description of Property Which May be Annexed to This Declaration Pursuant to Paragraph 33 Hereof:

Tract C, Block 3, except the Northeasterly 38.12 feet thereof, Union Square, County of Jefferson, State of Colorado;

Except that property herein dedicated as Phase I, as more fully described in Exhibit 1 of this Declaration.

EXHIBIT 4

Minimum percentage ownership interests of all Units upon annexation of the maximum number of additional units to this Declaration pursuant to Paragraph 33.

<u>Condominium Building</u>	<u>Condominium Unit No.</u>	Minimum Undivided Interest In the General Common Elements Appurtenant to each <u>Condominium Unit</u>
1 C	C101	.006003
1 C	C201	.006225
1 C	C301	.006998
1 C	C102	.005786
1 C	C202	.006011
1 C	C302	.006785
2 C	C103	.005786
2 C	C203	.006011
2 C	C303	.006785
2 C	C104	.005786
2 C	C204	.006011
2 C	C304	.006785
3 C	C105	.005786
3 C	C205	.006011
3 C	C305	.006785
3 C	C106	.006003
3 C	C206	.006225
3 C	C306	.006998
4 B	B 39	.012300
4 B	B 40	.012090
4 B	B 41	.012090
4 B	B 42	.012724
5 B	B 35	.012724
5 B	B 36	.012090
5 B	B 37	.012300
5 B	B 38	.012090
6 B	B 31	.012300
6 B	B 32	.012090
6 B	B 33	.012090
6 B	B 34	.012724
7 B	B 27	.012724
7 B	B 28	.012090
7 B	B 29	.012300
7 B	B 30	.012090

51

8 B	B 23	.012300
8 B	B 24	.012090
8 B	B 25	.012090
8 B	B 26	.012724
9 B	B 21	.012300
9 B	B 22	.012090
10B	B 17	.012724
10B	B 18	.012090
10B	B 19	.012300
10B	B 20	.012090
11C	C125	.005786
11C	C225	.006011
11C	C325	.006785
11C	C126	.006003
11C	C226	.006225
11C	C326	.006999
12C	C123	.005786
12C	C223	.006011
12C	C323	.006785
12C	C124	.005786
12C	C224	.006011
12C	C324	.006785
13C	C121	.006003
13C	C221	.006225
13C	C321	.006998
13C	C122	.005786
13C	C222	.006011
13C	C322	.006785
14B	B 13	.012300
14B	B 14	.012090
14B	B 15	.012090
14B	B 16	.012724
15B	B 9	.012724
15B	B 10	.012090
15B	B 11	.012300
15B	B 12	.012090
16B	B 5	.012300
16B	B 6	.012090
16B	B 7	.012090
16B	B 8	.012724
17B	B 1	.012724
17B	B 2	.012090
17B	B 3	.012300
17B	B 4	.012090

18C	C107	.006003
18C	C207	.006225
18C	C307	.006998
18C	C108	.005786
18C	C208	.006011
18C	C308	.006785
19C	C109	.005786
19C	C209	.006011
19C	C309	.006785
19C	C110	.006003
19C	C210	.006225
19C	C310	.006998
20C	C111	.006003
20C	C211	.006225
20C	C311	.006998
20C	C112	.005786
20C	C212	.006011
20C	C312	.006785
21C	C113	.005786
21C	C213	.006011
21C	C313	.006785
21C	C214	.006225
21C	C314	.006998
22C	C120	.006003
22C	C220	.006225
22C	C320	.006998
22C	C119	.005786
22C	C219	.006011
22C	C319	.006785
23C	C118	.005786
23C	C218	.006011
23C	C318	.006785
23C	C117	.005786
23C	C217	.006011
23C	C317	.006785
24C	C116	.005786
24C	C216	.006011
24C	C316	.006785
24C	C115	.006003
24C	C215	.006225
24C	C315	.006998

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IN WITNESS WHEREOF, Declarant has hereunto set its hand and
seal this 26 day of JANUARY, 1986.

ZEFF PROPERTIES, a Colorado
General Partnership

By Kal Zeff
Kal Zeff, Managing Partner



STATE OF COLORADO)

) ss.

COUNTY OF Denver)

The foregoing instrument was subscribed and sworn to before me
this 26 day of JANUARY, 1986 by Kal Zeff, Managing
Partner of Zeff Properties, a Colorado General Partnership.

My Commission expires: August 6, 1986

My address is: 260 E. Cherry Street, Suite 1110
Denver, CO 80222

Matthew T. Roberts
Notary Public

Dear Telluride Residents:

Cohabiting harmoniously in a condo/townhouse development requires little more than exercising equal amounts of common sense and common courtesy, with a healthy dose of following the rules thrown in for good measure. This manual is designed to inform residents of the rules which have been adopted by the Telluride Homeowners Association.

We think you'll agree that the rules and provisions outlined in these pages are designed to maximize the living space and comfort of each individual resident. We hope you will do your part to follow them. Should repeated violations of the rules occur, the Rules Committee is authorized and prepared to impose fines on the violators.

Please note one important point: IT IS THE RESPONSIBILITY OF EACH RESIDENT TO NOT ONLY KNOW AND FOLLOW THE RULES BUT ALSO TO COMMUNICATE AND ENFORCE THE RULES WITH REGARD TO ANY VISITORS AND GUESTS OF THE RESIDENT.

It is the intent and hope of the Rules Committee and Board of Directors that this manual will provide valuable guidelines. Should you have questions, comments or input, please feel free to contact a Rules Committee or Board member, or attend a meeting of either entity.

Thank you for your cooperation.

THE TELLURIDE HOMEOWNERS ASSOCIATION
RULES COMMITTEE AND BOARD OF DIRECTORS

83015373

1983 FEB 22 AM 9:31

County of Jefferson State of Co
RECORDED IN

FIRST AMENDMENT TO THE DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE TELLURIDE CONDOMINIUMS

1-2

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Jeff Properties, a Colorado general partnership caused to be executed and recorded that certain Declaration of Covenants, Conditions and Restrictions of the Telluride Condominiums dated July 26, 1982 and recorded August 11, 1982 under Reception No. 82055666 (hereinafter referred to as the "Declaration") and Map recorded same date under Reception No. 82055667 and any and all amendments and supplements thereto, all in the County of Jefferson, State of Colorado; and

WHEREAS, paragraph 33.3 of the Declaration contemplates an automatic diminution of the undivided interest in the Common Elements upon annexation of a portion or all of the property described in Exhibit 3 of the Declaration (attached hereto and incorporated herein); and

WHEREAS, said paragraph 33.3 contemplates that all Unit Owners in the project share the assessment charges in proportion to their undivided percentage ownership in the Common Elements, and

WHEREAS, paragraph 20.1 of the Declaration contemplates that all assessments be allocated equally; and

WHEREAS, paragraph 20.1 of the Declaration results in a disproportionate allocation of the common expenses upon further annexations in contravention of the contemplation of paragraph 33.3; and

WHEREAS, paragraph 31.2 of said Declaration, Declarant reserved the right to clarify any conflicting provisions;

NOW, THEREFORE, pursuant to the power reserved in the Declaration, Declarant does hereby amend the Declaration and does hereby publish and declare as follows:

FIRST: The following shall be deleted from paragraph 20.1 of the Declaration, to-wit:

"All assessments shall be allocated equally among the Condominium Units within the Project."

SECOND: The following shall be added to paragraph 20.1 of the Declaration, to-wit:

"All assessments shall be allocated proportionately among the Condominium Units within the Project approximately according to each Unit's percentage ownership interest in the Common Elements as set forth in the Declaration and as modified by annexations of additional property to the Project."

THIRD: Except as has been expressly amended herein, all other terms, conditions and exhibits of and to the Declaration shall remain in full force and effect.

12 14 82

82087502

1982 DEC 14 AM 11:55

County of Jefferson State of Co.
Recorded 14

60%

AMENDMENT TO DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE TELLURIDE CONDOMINIUMS

1-2

WHEREAS, Kalman Zeff, also known as Kal Zeff, doing business as Zeff Properties, a Colorado General Partnership, caused to be executed and recorded that certain Declaration of Covenants, Conditions and Restrictions of the Telluride Condominiums dated July 26, 1982 and recorded August 11, 1982 under reception No. 82055600, and any and all amendments thereto, and Map recorded August 11, 1982 under Reception No. 82055601, and First Amended Map recorded October 12, 1982 under Reception No. 82071018 and First Supplement recorded October 12, 1982 under Reception No. 82071019, County of Jefferson, State of Colorado, and

WHEREAS, paragraph 31.2 of the Declaration provides that any provision may be amended by the recording of a written instrument specifying the amendment, and

WHEREAS, this amendment shall take effect January 1, 1983, THEREFORE, the undersigned, as owner of more than 15% of the General Common Elements as shown in exhibit A attached hereto and hereby incorporated herein does hereby amend paragraph 28.5 to read as follows:

28.5 Restrictions on Animals: No animals, livestock, reptiles or birds shall be kept on any part of the Project, except that one (1) domesticated dog or cat and birds or fish may be kept in a Unit, subject to all governmental animal ordinances and laws and subject to rules and regulations promulgated by the association or board in regard thereto, provided that they are not kept for any commercial purposes. An Owner is responsible for any damage caused by his animal(s) and shall be obligated to clean up after his animal(s) on the Project. No animals shall be allowed to remain tied or chained to any balconies, patios or other parts of the Project, and any such animals so tied or chained may be removed by the Association or its agents.

IN WITNESS WHEREOF, the owner of the units as shown in exhibit A has executed this amendment the 22nd day of November, 1982.

Kalman Zeff, aka Kal Zeff dba Zeff Properties, a Colorado General Partnership

By: Kal Zeff

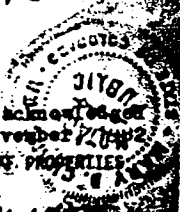
STATE OF COLORADO }
COUNTY OF JEFFERSON } ss The foregoing instrument was acknowledged before me this 22nd day of November, 1982, by KALMAN ZEFF, AKA KAL ZEFF DBA ZEFF PROPERTIES

A COLORADO GENERAL PARTNERSHIP Mary P. Chandler
Notary Public
720 South Colorado Blvd.
Denver, CO 80222

My Commission expires: 12/23/85

FILED

WFG 20474



82087502

EXHIBIT A

BUILDING NUMBER

UNIT NUMBER

1C	101, 201, 301, 102, 202 & 302
2C	103, 203, 303, 104, 204 & 304
3C	105, 205, 305, 106, 206 & 306
4B	39, 40, 41, & 42
5B	55, 56, 57 & 58
6B	51, 52, 53 & 54
7B	27, 28, 29 & 30
8B	23, 24, 25 & 26
9B	21 & 22
10B	17, 18, 19 & 20
11C	125, 225, 325, 126, 226 & 326
12C	123, 223, 323, 124, 224 & 324
13C	121, 221, 321, 122, 222 & 322
14B	15 & 16
15B	10 & 11
16B	5, 6, 7 & 8
17B	1, 2, 3 & 4
18C	107, 207, 307, 108, 208 & 308
19C	109, 209, 309, 110, 210 & 310
20C	111, 211, 311, 112, 212 & 312
21C	113, 213, 313, 214 & 314
22C	120, 220, 320 & 219
23C	118 & 218
24C	116 & 216

for a total aggregate interest in the General Common Elements of:

. 892632

2 22 83
89015373

1983 FEB 22 AM 9 37

County of Jefferson State of Co
Recorded in

8/6
1-2
FIRST AMENDMENT TO THE DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE TELLURIDE CONDOMINIUMS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Zeff Properties, a Colorado general partnership caused to be executed and recorded that certain Declaration of Covenants, Conditions and Restrictions of the Telluride Condominiums dated July 26, 1982 and recorded August 11, 1982 under Reception No. 82055666 (hereinafter referred to as the "Declaration") and Map recorded same date under Reception No. 82055667 and any and all amendments and supplements thereto, all in the County of Jefferson, State of Colorado; and

WHEREAS, paragraph 33.3 of the Declaration contemplates an automatic diminution of the undivided interest in the Common Elements upon annexation of a portion or all of the property described in Exhibit 3 of the Declaration (attached hereto and incorporated herein); and

WHEREAS, said paragraph 33.3 contemplates that all Unit Owners in the project share the assessment charges in proportion to their undivided percentage ownership in the Common Elements, and

WHEREAS, paragraph 20.1 of the Declaration contemplates that all assessments be allocated equally; and

WHEREAS, paragraph 20.1 of the Declaration results in a disproportionate allocation of the common expenses upon further annexations in contravention of the contemplation of paragraph 33.3; and

WHEREAS, in paragraph 31.2 of said Declaration, Declarant reserved the right to clarify any conflicting provisions;

NOW, THEREFORE, pursuant to the power reserved in the Declaration, Declarant does hereby amend the Declaration and does hereby publish and declare as follows:

FIRST: The following shall be deleted from paragraph 20.1 of the Declaration, to-wit:

"All assessments shall be allocated equally among the Condominium Units within the Project."

SECOND: The following shall be added to paragraph 20.1 of the Declaration, to-wit:

"All assessments shall be allocated proportionately among the Condominium Units within the Project approximately according to each Unit's percentage ownership interest in the Common Elements as set forth in the Declaration and as modified by annexations of additional property to the Project."

THIRD: Except as has been expressly amended herein, all other terms, conditions and exhibits of and to the Declaration shall remain in full force and effect.

83015373

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IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal this 26th day of January, 1941.



ZEFF PROPERTIES, a Colorado General Partnership

By Kal Zeff
Kal Zeff, Managing Partner

STATE OF COLORADO)
COUNTY OF Denver) ss.

The foregoing instrument was subscribed and sworn to before me this 26th day of January, 1941 by Kal Zeff, Managing Partner of Zeff Properties, a Colorado General Partnership.

My Commission expires: August 1, 1946
My address is: 800 E. Cherry Street - Suite 1110
Denver, Co 80222

Robert H. Roberts
Notary Public