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Reception No. 321762 MILDRED ALSDORF, RECORDER

BOOK 586 PAGE 604

DECLARATION
OF
SOUTHVIEW II CONDOMINIUMS

THIS DECLARATION is made and entered into by Thomas F. Doyle, Jr., and Earl J. Willey, 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 Garfield, State of Colorado, hereinafter referred to as the "Property," and more particularly described in Exhibit "A" incorporated herein by this reference.

WHEREAS, there presently exists on the Property a building which consists of a total of Six (6) separately designated units; and

WHEREAS, Declarant desires to establish a condominium project under the Condominium Ownership Act of the State of Colorado, to wit: 1973 Colorado Revised Statutes 38-33-101, et seq., as amended;

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 on the Property 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, 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 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:

a. "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, 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, and windows and doors in their closed position; and the Unit includes both the portions of the Building so described, 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.

b. "Owner" means the Person or Persons, as hereinafter defined, owning a Unit in fee simple together with an undivided interest in fee simple in the General Common Elements in the percentage specified and established in this Declaration, including the Declarant so long as any Condominium Unit, as hereinafter defined, is owned by Declarant.

c. "General Common Elements" means 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:

(i) all of the land and easements which are part of the Property;

(ii) all foundations, columns, girders, beams, and supports of a Building;

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

(iv) 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;

(v) all entrances, exits, vestibules, halls, corridors, lobbies, laundry rooms, stairways, and fire escapes, if any, not within any Unit;

(vi) all 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

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

d. "Association" means The Southview II 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.

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

f. "Common Expenses" means and includes:

(i) all sums lawfully assessed against the Owners by the Board, as hereinafter defined;

(ii) expenses of administration, maintenance, repair, or replacement of the General Common Elements, as hereinafter defined;

(iii) expenses declared Common Expenses by provisions of this Declaration and the Bylaws; and

(iv) 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.

g. "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, and deck or yard areas.

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

i. "Mortgage" means and includes any Mortgage, Deed of Trust, or other assignment or security instrument creating a lien on any Condominium Unit, and "Mortgagee" shall include any grantee, beneficiary, or assignee of a Mortgage.

j. "Condominium Unit" means the fee simple interest and title in and to a Unit, together with the undivided fee simple interest in the General Common Elements appurtenant to such Unit and all other rights and burdens created by this Declaration.

k. "Project" means all of the Property, Condominium Units, Building(s), and improvements submitted to this Declaration.

l. "Board of Managers" or "Board" means the governing body of the Association.

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

n. "Bylaws" means the Bylaws of the Association.

o. "Articles" means the Articles of Incorporation of the Association.

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

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

r. "Declaration" means this Declaration together with any supplement or amendment hereto recorded in the office of the Clerk and Recorder of Garfield County, Colorado.

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

a. The legal description of the Property and a survey thereof;

b. The name and general location of the Project;

c. 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;

d. 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 certain of the Limited Common Elements;

e. 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 the statements of (i) the Declarant, submitting the Property to the provisions of this Declaration; and (ii) an engineer and a 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, the 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 to 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.

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 divided into Six (6) 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 a particular Unit is described on attached Exhibit "B" incorporated herein by this reference.

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 General 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 and shall no longer be Limited Common Elements if the combined Units become subject to separate ownership in the future. This reserved right in Declarant shall terminate upon the conveyance by Declarant of all of the Condominium Units within the Project or January 1, 1985, 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 door, window, balcony, porch, or patio which is accessible from, associated with, and/or which adjoin(s) a Unit and deck or yard areas, or areas 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.

a. 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 designation followed by the words "The Southview II 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 Garfield, Colorado, such description shall be conclusively presumed to relate to the therein described Condominium Units.

b. Every Deed, Lease, Mortgage, Will, or other instrument shall legally describe a Condominium Unit by its identifying Condominium Unit number followed by the words "The Southview II Condominiums," in accordance with and subject to the Condominium Declaration of The Southview II Condominiums, recorded on _____, 198__, in Book _____ at Page _____, as Reception No. _____, and Map recorded on _____, 198__, in Book _____ at Page _____, County of Garfield, Colorado records. 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 non-exclusive easement for ingress and egress through-out 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 fee simple interest in the General Common Elements appurtenant to any Condominium Unit shall be deemed conveyed or encumbered with that Condominium Unit, even

even though the legal description in the instrument conveying or encumbering said Condominium Unit may only refer to the title to that Condominium Unit.

c. 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 remain undivided, and no Owner or any other Person shall bring any action for partition or division of the General Common Elements. Similarly, no action shall be brought for partition of a Unit or a Condominium Unit between or among the Owners thereof. Each Owner hereby expressly waives any and all such rights of partition he may have by virtue of his 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 assessing 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 General 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 therewith, 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--Removal From Lien--Effect of Part Payment.

a. 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 Managers 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.

b. 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 percentages appearing in this Declaration. 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.

c. 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 any 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 purposes of the foregoing sentence, each Unit shall be deemed to have been designed to accommodate safely a maximum of Two (2) permanent occupants per bedroom. No Unit shall be used at any time for any business or commercial activity, except as follows: (i) the Owner thereof may lease or rent such Unit for private residential or living purposes (subject to Paragraph 28(i) hereafter); (ii) 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 conveyed by Declarant; (iii) 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; and (iv) ground floor units may be utilized for the purposes of professional and business offices and commercial activities which do not violate the provisions of paragraph 28, hereafter.

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 accept and be bound by any such adopted rules and regulations.

15. Various Rights and Easements.

a. 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.

b. 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.

c. Owners' 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.

d. 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.

e. Easements in Units for Repair, 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 General Common Elements, from time to time, during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the General Common Elements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the General Common Elements or to another Unit, or for making repairs or replacements pursuant to Paragraph 16 hereafter. Damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair, or replacement of any of the General Common Elements, or as a result of emergency repairs within another Unit, at the insistence 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 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.

f. 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.

g. 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.

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, and any and all new additions to a Unit made by the Owner thereof, including, without limitation, any new fence or other structure enclosing a patio, balcony, yard, or deck area. The obligation to maintain any fence or other structure enclosing a patio, balcony, yard, or deck area originally conveyed by Declarant shall be that of the Association. 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 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, 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 such Owner.

17. Compliance With Provisions of 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 attorneys' fees, maintainable by the Managing Agent or Board of Managers in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner.

18. The Association.

a. 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.

b. Membership. 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 the ownership of the membership for a Condominium Unit 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.

c. Board of Managers: The affairs of the Association shall be managed by a Board of Managers 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 five (5) members of the Board of Managers, 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 Managers, the terms of at least one-third (1/3) of such Board shall expire annually. Notwithstanding anything to the contrary provided for herein, however, until Declarant has conveyed One Hundred Percent (100%) of the Condominium Units in the Project or until January 1, 1985, whichever event shall first occur, the members of the Board of Managers shall be appointed by Declarant, its successors, or assigns.

d. Voting of Owners. The Owner or Owners of each Condominium Unit shall be entitled to One (1) vote for each such Condominium Unit owned by said Owner or Owners.

e. 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.

a. 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, 30, and 31(b) hereof, unless at least two-thirds (2/3) of the first Mortgagees of Condominium Units (based upon One (1) vote for each first Mortgage owned) 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:

(i) by act or omission, seek to abandon or terminate the Project;

(ii) 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;

(iii) partition or subdivide any Condominium Unit;

(iv) 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 General Common Elements) any of the General or Limited Common Elements; and

(v) use hazard insurance proceeds for loss to the Project (whether Units or General Common Elements) for other than repair, replacement, or reconstruction thereof.

b. General Common Elements. The Association shall provide for the care, operation, management, maintenance, repair, and replacement of the General Common Elements, except as is 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.

c. Other Association Functions. The Association may undertake any activity, function, or service for the benefit of or to further the interests of all, some, or any 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 individual Units.

d. Labor and Services. The Association (i) 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; (ii) may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration; and (iii) may arrange with others to furnish lighting, heating, water, trash collection, sewer service, and other common services.

e. 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 deemed to be owned by the then Owners as tenants in common in the same proportion as their respective interests in the General Common Elements. 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 purposes 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.

f. Association 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. Further, the Association shall have the right to grant utility easements under, through, or over the General Common Elements which are reasonably necessary to the ongoing development and operation of the Project.

g. Mortgagee Notification. The Association shall notify each first Mortgagee of any proposed material amendment of the Association's Articles or Bylaws 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.

h. Enforcement by 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 may also take judicial action against any Owner to enforce compliance with such rules, regulations, or other obligations herein or in the Bylaws contained or to obtain damages for non-compliance thereof, all to the extent permitted by law. The Board may impose a fine, not to exceed Fifty Dollars (\$50.00), on any Owner for each violation or act of non-compliance by any such Owner or his Guest.

i. Certificate. The Board of Managers may, from time to time, record a certificate of the identity and the mailing addresses of the persons then comprising the Board of Managers, together with the identity and address of the Managing Agent, if any there be. 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.

j. 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 from the provisions of said documents, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights, or privileges.

20. Assessment for Common Expenses.

a. All Owners, except Declarant, shall be obligated to pay the estimated assessments imposed by the Board of Managers to meet the Common Expenses from and after the conveyance of the first Condominium Unit to such Condominium Unit's original purchaser. The assessments shall be made pro rata according to each Owner's interest in and to the General Common Elements. Declarant shall have no obligation to pay the estimated Common Expense assessment, on Condominium Units owned by Declarant, imposed by the Board to meet the Common Expenses, but Declarant agrees to pay to the Association a sum equal to the difference between the monthly cost of operating and maintaining the General Common Elements, exclusive of reserves, and the amount of funds payable by the other Owners to the Association. This obligation of Declarant to subsidize the operations of the Association shall terminate when Declarant relinquishes its right to appoint the Association's Board or January 1, 1985, whichever event first occurs. Subsequent to the occurrence of either of the aforesaid events, Declarant shall be obligated as any other Owner in reference to Condominium Units then owned by Declarant to pay the estimated Common Expense assessments imposed by the Board to meet the Common Expenses. 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 Managers shall prepare and deliver or mail to each Owner an itemized annual budget showing the various estimated or actual expenses 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 Board of Managers shall from time to time determine is to be paid or accrued 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 Managers under or by reason of this Declaration; deficits remaining from a previous period; and other costs and expenses relating to the General Common Elements. Further, it shall be mandatory for the Board to establish and segregate, out of such monthly assessments, 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 Board of Managers 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 1973 Colorado Revised Statutes 38-33-107, as amended, inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and upon Ten (10) days' notice to the Board of Managers 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 Managers 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 at such time as the service becomes metered. Otherwise, the service shall be a separate expense of the Unit benefited.

b. The Board of Managers 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. Such special assessment shall be borne by the Owners in accordance with each Owner's interest in the General Common Elements and shall be due and payable as determined by the Board of Managers.

21. Assessment Reserves. The Association may require an Owner, other than Declarant, to deposit with the Association an amount not exceeding Six (6) times the amount of the

original estimated monthly common assessment, which sum shall be held, without interest, by the Association as a reserve to be used for paying such Owner's monthly common assessment and for working capital. Until notice by the Board of Managers, the amount of Three (3) months' estimated common assessments shall be deposited by the first grantee of each Unit from the Declarant. 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 his transferee for any unused portion thereof. Such reserves shall at all times remain as capital of the Association.

22. Additions, Alterations, and Improvements--General and Limited Common Elements. There shall be no special assessments in excess of Twenty Five Thousand Dollars (\$25,000.00) levied by the Board of Managers in any one calendar year, nor any 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 calendar year, without, in each case, 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 General 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.

a. The Board of Managers 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:

(i) Insurance against loss or damage by fire and lightning, and such other hazards as are customarily covered in condominium projects in the County of Garfield, 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 General Common Element (including all of the Units and the fixtures therein initially installed or conveyed by the Declarant) 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.

(ii) 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.

(iii) Bodily injury and property damage liability insurance in such limits as the Board 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 umbrella liability limits of One Million Dollars (\$1,000,000.00) per occurrence, 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 Managing Agent, the Declarant, first Mortgagees, 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.

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

(v) 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.

(vi) 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, insurance for any personal property of the Association located thereon, and errors and omissions insurance with respect to the actions of the Board of Managers and officers of the Association.

b. 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, 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.

c. Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions of this insurance paragraph, the Board shall obtain an appraisal from the insurance appraiser of the company issuing such insurance, 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 One Hundred Percent (100%) of the full replacement cost with an agreed amount endorsement. Determination of maximum replacement value shall be made annually, 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.

d. 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 any Owner.

e. Insurance coverage on improvements and fixtures installed by an Owner and furnishings, including draperies, unattached carpeting and appliances, wallpaper, 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 Managers, the Association, and/or the Managing Agent shall have no responsibility therefor.

f. In the event that there shall be any damage, destruction, or loss to a Unit or any damage, destruction, or loss to the General Common Elements, 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.

g. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in 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.

24. Lien for Non-Payment of Common Expenses. All sums assessed by the Board pursuant to any provision of this Declaration, including, without limitation, 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:

a. Tax and special assessment liens on the Condominium Unit in favor of any governmental assessing unit; and

b. All sums unpaid on a first Mortgage of record, including all unpaid obligatory sums as may be provided by such encumbrance.

(i) If any assessment shall remain unpaid after Twenty (20) days after the due date thereof, such unpaid sums shall bear interest from and after the due date thereof at the rate of Eighteen Percent (18%) per annum, and the Board of Managers may impose a late charge on such defaulting Owner in an amount not exceeding Ten Dollars (\$10.00) to cover the extra cost and expenses involved in handling such delinquent assessments.

(ii) To evidence such lien the Board of Managers 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 Managers and shall be recorded in the office of the Clerk and Recorder of the County of _____, Colorado. 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 to 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 Board of Managers shall have the power to bid on the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey same.

(iii) 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 acquires title to the Condominium Unit.

(iv) 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.

(v) Declarant states in accordance with the requirements of the Colorado Condominium Ownership Act, that it is possible that liens other than mechanic's liens, assessment liens, and tax liens, may be obtained against the General Common Elements, including judgment liens and Mortgage liens.

(vi) 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 1973 Colorado Revised Statutes 38-41-201, et seq., 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.

(vii) Any recorded lien for non-payment of the Common Expenses may be released by recording a Release of Lien executed by a member of the Board of Managers.

25. Owners' Obligations for Payment of Assessments.
The amount of the Common Expenses and/or any special assessment 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/or special assessments, 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 and/or any special assessment by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his Condominium Unit.

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

a. Upon payment of a reasonable fee not to exceed Twenty Dollars (\$20.00) 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 Managers, 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.

b. The grantee of a Condominium Unit, except a first Mortgagee who acquires a Condominium Unit by foreclosure or a Deed in lieu of foreclosure, shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee not to exceed Twenty (\$20.00) Dollars, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent or Board of Managers 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, then such requesting grantee shall not be liable for, nor shall the Condominium Unit conveyed be subject to, a lien for any unpaid assessments against the subject Condominium Unit. The provisions contained in this paragraph shall not apply upon the initial transfer of the Condominium Units by Declarant.

27. Mortgaging a Condominium Unit--Priority. Any Owner shall have the right from time to 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: (i) 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 Bylaws; and (ii) 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 Managers 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.

a. 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 premiums of insurance obtained for the Project or which might cause cancellation of such insurance.

b. 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.

c. 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 which is noxious or offensive to others. No light shall be emitted from any part of the Project which is unreasonably bright or causes unreasonable glare.

d. 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) 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.

e. Restriction on Animals. No animals, livestock, reptiles, or birds shall be kept on any part of the Project, except that domesticated dogs, cats, 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.

f. Restriction on 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 Owner of ground floor Units may erect and maintain a dignified sign identifying the business carried on in the Unit, approval of which by the Board shall not be unreasonably withheld. 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. So long as any Condominium Unit owned by Declarant in the Project remains unsold, no Owner shall be permitted to place any sign on the Project or on his Unit or on any Building advertising his Condominium Unit for sale or lease.

g. 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.

h. 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 to 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.

i. Leasing of a Condominium Unit. The Owner of a Condominium Unit, including Declarant, shall have the right to lease his Condominium Unit under the following conditions:

(i) No Owner may lease less than his entire Condominium Unit;

(ii) All leases shall be in writing;

(iii) All leases shall provide that the terms of the lease and lessee's occupancy of the Condominium Unit 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;

(iv) Except for a first Mortgagee in possession of a Condominium Unit following the default under its Mortgage or in connection with 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 transient or hotel purposes.

j. Parking of Vehicles. Parking of any and all vehicles on the Project shall be subject to the rules and regulations of the Association.

k. Restrictions on Parking and Storage. No part of the Project, including the public streets and private streets, drives, or parking areas, unless specifically designated by the Association therefor, shall be used

as a parking, storage, display, or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat, or accessories thereto, truck or recreational vehicle, except as a temporary expedience for loading, delivery, emergency, etc. (provided that this restriction shall not restrict trucks or other commercial vehicles within the Project which are necessary for the construction or maintenance of the Project.

1. Board Determination. 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 Managers 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 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 have full and complete authorization, right, and power to make, execute, and deliver any contract, Deed, or any 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.

a. 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 such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power as attorney-in-fact, to cause the repair and restoration of the improvement(s).

b. 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 made pro rata 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 and a lien on his Condominium Unit and may be enforced and collected as is provided hereinbefore. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association, as attorney-in-fact. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

(i) for payment of taxes and special assessment liens in favor of any assessing 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.

c. If the Project is destroyed or damaged to the extent of more than Sixty Six and Two-Thirds Percent (66-2/3%) of the total replacement cost thereof, not including land, the Board shall adopt a plan for the repair and reconstruction of the Project, and all Owners shall be bound by the terms and provisions of such plan, unless the Owners representing an aggregate ownership interest of Seventy Five Percent (75%), or more, of the General Common Elements and at least Seventy Five Percent (75%) of the first Mortgagees (based upon One (1) vote for each first Mortgage owned) vote not to adopt such plan within One Hundred (100) days after the damage or destruction. 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. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such assessment within the time provided; and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraphs b(i) through (v) of this paragraph.

d. 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 and at least Seventy Five Percent (75%) of the first Mortgagees (based upon One (1) vote for each first Mortgage owned) vote not to adopt a plan for repair and reconstruction, then 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 Bylaws. 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 policies), and such divided proceeds shall be paid into separate accounts, each such account representing One (1) of the Condominium Units. 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. Thereafter, each such account shall be supplemented 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, for the same purposes and in the same order as is provided in subparagraph b(i) through (v) of this paragraph. The provisions contained in this subparagraph shall not hinder the protection given to a first Mortgagee under a mortgage endorsement.

e. 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 (1) vote for each first Mortgage owned). If a plan for the renewal 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 sale 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 nominated 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 (2) 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 (2) 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 subparagraphs b(i) through (v) of this paragraph.

f. 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 Bylaws. 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 (1) 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 subparagraphs b(i) through (v) of this paragraph.

30. Condemnation.

a. 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 of in lieu of or in avoidance thereof, the provisions of this Paragraph 30 shall apply.

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

c. 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 different 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 standard shall be employed to the extent it is relevant and applicable.

d. 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, the condominium ownership hereunder shall not terminate. 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 an 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 subparagraph shall be made by checks payable jointly to the Owners and their first Mortgagees.

e. Distribution. The Association shall as soon as practicable determine the share of the Condemnation Award to which each Owner is entitled. Such shares 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 29b of this Declaration.

f. Mortgagee Notice. The Association shall give timely written 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 General Common Elements.

g. 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

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 31b hereof.

31. Miscellaneous.

a. 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 hereinafter provided.

b. 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 Owner, as shown by the records in the office of the Clerk and Recorder of the County of Garfield, Colorado, of Condominium Units representing an aggregate ownership interest of Seventy Five Percent (75%) or more of the General Common Elements and first Mortgagees whose liens encumber an aggregate ownership interest of Seventy Five Percent (75%) or more of 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; provided, however, that in no event shall the undivided interest of an Owner in the General Common Elements be decreased without the unanimous consent of each Owner and each first Mortgagee; and provided further, that so long as Declarant continues to own one or more Condominium Units, which he is holding for rental or sale, no rights of Declarant contained in this Declaration may be amended or modified without the consent of Declarant. The consent(s) of any junior Mortgagees shall not be required under the provisions of this paragraph. 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.

c. Effect of Provisions of Declaration. Each provision of this Declaration, and an 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:

(i) 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;

(ii) 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 non-aggrieved Owner;

(iii) 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

(iv) 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.

d. 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 and perfected by recording in the office of the Clerk and Recorder of the County of Garfield, Colorado, prior to the time of recording in said office of an instrument describing the Condominium Unit and listing the name or names of the Owner or Owners of fee simple title to the Condominium Unit and giving notice of such violation, breach, or failure to comply; 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.

e. 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.

f. 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 all genders.

g. Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and except for monthly statements and other routine notices which shall be personally delivered or sent by regular mail, all other notices or demands intended to be served upon an Owner shall be delivered personally or sent by either registered or certified mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands, or other notices intended to be served upon the Board of Managers of the Association or the Association shall be sent by certified mail, postage prepaid, to the agent for service, until such address is changed by a notice of address duly recorded with the office of the Secretary of State of Colorado.

h. 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.

i. 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.

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

k. 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.

l. Sales and Construction Facilities and Activities of Declarant. Notwithstanding any provision to the contrary contained herein, Declarant, its agents, employees, and contractors shall be permitted to maintain during the period of any construction and/or 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 General 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 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 or desired refurbishment, construction, maintenance, or repair to such Units or the Building, or any part thereof.

m. Rule Against Perpetuities. If any of the options, privileges, covenants, or rights created by this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then

such provision shall continue only until Twenty One (21) years after the death of the survivor of the now living descendants of the President of the United States, Ronald Reagan, and Governor of Colorado, Richard Lamm.

32. Annexation of Additional Territory. Additional real property may be annexed to the real property described in the preamble to this Declaration, and such additional real property may become subject to this Declaration by any of the following methods:

a. Additions by Declarant. Declarant or its successors or assigns shall have the right from time to time to add additional real property to the project and to bring such added real property within the general plan and scheme of this Declaration without the approval of the Association or any Unit Owner provided that such right of Declarant and its successors and assigns shall terminate on the Third (3rd) anniversary of the recording of this Declaration in the office of the Clerk and Recorder of Garfield County, Colorado. As each phase of development is developed, Declarant may, with respect thereto, record a Supplemental Declaration which may supplement this Declaration with such additional covenants, conditions, restrictions, reservations, and easements as Declarant may deem appropriate for that phase of development.

b. Additions by Association. In addition to the provision for added real property specified in the preceding paragraph, additional real property may be annexed to the project and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of members entitled to exercise no less than Seventy Five Percent (75%) of the voting power of the Association.

c. Rights and Obligations of Members of Added Real Property. Subject to the provisions of subsection d. of this paragraph, upon the recording of a Supplemental Declaration containing the provisions set forth in this paragraph, all provisions contained in this Declaration shall apply to the added real property described in such Supplemental Declaration in the same manner as if it were originally covered by this Declaration. Thereafter, the rights, powers, and responsibilities of the parties to this Declaration with respect to the added real property shall be the same as with respect to the property originally covered hereby, and the rights, powers, and responsibilities of the Owners,

lessees, and occupants of Units within the added real property, as well as within the property originally subject to this Declaration, shall be the same as if the added real property were originally covered by this Declaration. From and after the date of closing and transfer of title for the sale of a Unit in the added real property, the Owners of Units located in the added real property shall share in the payment of assessments to the Association to meet common expenses of the entire project as provided in paragraph 20 hereof.

d. Supplemental Declaration. The additions authorized under subparagraphs a and b of this paragraph shall be made by recording a Supplemental Declaration with respect to the added real property which shall be executed by Declarant or the Board of Managers, as the case may be, and shall extend the general plan and scheme of this Declaration to such added real property. The recordation of the Supplemental Declaration shall constitute and effectuate the annexation of the added real property described therein, and thereupon the added real property shall become and constitute a part of the project, become subject to this Declaration, and encompassed within the general plan and scheme of covenants, conditions, restrictions, reservation of easements contained herein, and become subject to the functions, powers, and jurisdiction of the Association, and the Owners of Units in the added real property shall automatically become members of the Association. The Supplemental Declaration may contain such additions and modifications of the covenants, conditions, restrictions, reservation of easements contained in this Declaration as may be necessary to reflect the different character, if any, of the added real property, or as Declarant may deem appropriate in the development of the added real property, which are not inconsistent with the general plan and scheme of this Declaration. However, in no event, shall the Supplemental Declaration revoke, modify, or add to the covenants, conditions, restrictions, reservation of easements established by this Declaration as they pertain to the real property originally covered by this Declaration.

e. Deletion by Declarant. Declarant may delete all or a portion of a phase of development from coverage of this Declaration and the jurisdiction of the Association, so long as Declarant is the Owner of all of such phase of development, and provided that a Supplemental Declaration is recorded in the same manner as applicable if the addition of real property. When a deletion has

been accomplished, the interests of each Owner in the Common Elements shall be determined by the fraction with One (1) as the numerator and the number of remaining Units as the denominator.

f. Interest in the Common Elements. When an addition of real property has been accomplished, the interest of each Owner in the Common Elements shall be decreased, be, by increase of the total number of units. Upon the happening of such event:

(i) Each Owner would be responsible for his percentage of any increase in common expenses created thereby;

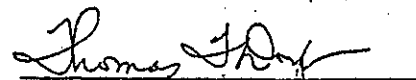
(ii) Each Owner would own, as a tenant in common with the other Owners, an undivided interest in the added Common Elements;


(iii) Each Owner's interest in the existing Common Elements would be affected by such additions;

(iv) Each Owner's voting powers in the Association would be decreased by such addition;

(v) Each Owner's interest in the existing and added Common Elements would be determined by the fraction with One (1) as the numerator and the sum of the existing and added units as the denominator.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the 17th day of November, 1988.


Thomas F. Doyle, Jr.
Declarant


Earl J. Willey
Declarant

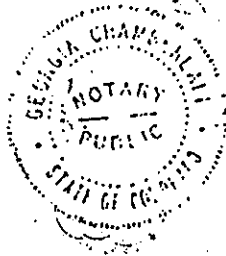
ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF EAGLE)

The foregoing Condominium Declaration was acknowledged before me on the 17th day of November, 1981, by Thomas F. Doyle, Jr., and Earl J. Willey, Declarants.

Witness my hand and official seal.

My commission expires: 6-15-85



Georgia Chamberlain
Notary Public
Address:

Exhibit "A" to the Declaration of Southview II Condominiums

The Property situate in the County of Garfield, State of Colorado, which is the subject of this Declaration is more particularly described as follows:

A parcel of land situate in Lot 12 of Section 34, Township 7 South, Range 88 West of the 6th Principal Meridian, City of Carbondale, County of Garfield, State of Colorado, lying westerly of a 40 foot roadway as built and in place, and being more particularly described as follows:

Beginning at a point on the Westerly right-of-way line of said 40 foot roadway whence the Street Center Monument located at the intersection of Eighth Street and Main Street in the City of Carbondale, Colorado, bears S 00°03'00" W 445.54 feet and S 89°57'00" E 631.72 feet; thence N 87°58'00" W 66.71 feet; thence N 00°25'00" W 164.45 feet; thence N 89°35'00" E 66.65 feet to a point on the Westerly right-of-way line of said 40 foot roadway; thence S 00°25'00" E 167.30 feet along the Westerly right-of-way line of said 40 foot roadway to the point of beginning.

Exhibit "B" to the Declaration of Southview II Condominiums

The undivided interest in the General Common Elements appurtenant to a particular Unit is as follows:

<u>Unit</u>	<u>Undivided Interest</u>
1115	1/6
1117	1/6
1119	1/6
1121	1/6
1123	1/6
1125	1/6

CONSENT TO FIRST AMENDMENT

TO

DECLARATION OF SOUTHVIEW II CONDOMINIUMS

WHEREAS, Thomas F. Doyle, Jr., and Earl J. Willey, hereinafter referred to as "Declarants," did on the 23rd day of November, 1981, file for record a Declaration for Southview II Condominiums in the office of the Clerk and Recorder of Garfield County, Colorado, in Book 586 at Page 604, as Reception No. 321762; and

WHEREAS, Declarants did file for record a First Amendment to Declaration of Southview II Condominiums in the office of the Clerk and Recorder of Garfield County, Colorado, in Book 580, at Page 375, as Reception No. 323041, hereinafter referred to as "First Amendment;" and

WHEREAS, the consent of Vera Haberman is required to the First Amendment since she became the fee owner of Unit 1125, Southview II Condominiums prior to the recording of the First Amendment.

NOW, THEREFORE, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, Vera Haberman hereby consents to the First Amendment and agrees that the First Amendment shall encumber Unit 1125, Southview II Condominiums as if the First Amendment had been of record prior to the transfer of title from the Declarants to Haberman.

By execution of this Consent, Haberman represents that she is familiar with and understands the contents of the First Amendment and its effect on Unit 1125, Southview II Condominiums and consents thereto.

Dated on the 15th day of January, 1982.

Vera Haberman
Vera Haberman

ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF Pitkin)

The foregoing Consent to First Amendment to Declaration of Southview II Condominiums was acknowledged before me by Vera Haberman this 15th day of ~~January~~ February, 1982.

Witness my hand and official seal.

My commission expires: 6-26-85



Mary Beth Corrao
Notary Public
Address: Box 3318
Aspen, CO 81612