

DECLARATION OF COVENANTS

CONDITIONS AND RESTRICTIONS

OF

QUINCY LAKE CONDOMINIUMS

THIS DECLARATION is made and entered into by Medema Homes, Inc., a division of American Continental Corporation, an Ohio corporation, hereinafter referred to as "Declarant";

W I T N E S S E T H:

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

WHEREAS, Declarant has or shall have constructed 4 buildings on the Property which buildings shall consist of a total of 22 separately designated Units as described on Exhibit 1; and

WHEREAS, Declarant does hereby establish a plan for the separate fee simple ownership of real property estates consisting of 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 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.

ARTICLE 1

DEFINITIONS

Section 1.01 Definition of Terms 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. Each Unit is shown on the Map, as hereinafter defined, and is identified thereon with a number. The exact boundaries of a Unit are the interior unfinished surfaces of such walls, floors and ceilings which mark the perimeter boundaries thereof and where found along such walls, floors and ceilings the interior surfaces of a built-in fireplaces with their flues in their closed position and windows and doors in their closed position; and the Unit includes both the portions of the Building so described, the air space so encompassed and together with all fixtures and improvements therein contained but not any 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 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, and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(c) "Common Elements" means and includes all of the Condominium Project and all the improvements now or hereinafter constructed hereon, excluding the Units. The Common Elements shall consist of the General Common Elements and Limited Common Elements. The Common Elements shall be owned, as tenants in common, by the Owners of the separate Units, each Owner of a Unit having an undivided interest in such Common Elements as is hereinafter provided.

(d) "General Common Elements" means all of the Project, as hereinafter defined, except the portions thereof which constitute Units or Limited Common Elements, 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 and any recreational facilities and buildings which may be located on the Property;

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

(iii) 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;

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

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

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

(e) "Association" means Quincy Lake Condominium Association, Inc., a Colorado nonprofit corporation, its successors and assigns, with the Articles and Bylaws of which, as hereinafter defined, along with this Declaration, shall govern the administration of the Condominium Project; the members of which shall be all of the Owners.

(f) "Building" means one or more of the building improvements erected within the Condominium Project.

(g) "Common Expenses" means and includes:

(i) all sums lawfully assessed against the Owners by

the Board, as hereinafter defined;

(ii) expenses or liabilities incurred in the administration, maintenance, repair or replacement of the Common Elements, including any assessments for the creation and maintenance of reserves;

(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 a two-thirds (2/3) of the Common Elements.

(h) "Limited Common Elements" means those Common Elements which are reserved for the use of certain Owners to the exclusion of the others, including but not limited to, certain porches, patios, fireplaces and deck or yard areas.

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

(j) "Mortgage" means and includes any mortgage, deed of trust or other assignment or security instrument creating a lien on any Condominium Unit. "Mortgage" shall also mean and refer to any executory land sales contract wherein the Administrator of Veterans Affairs, an Officer of the United States of America, is identified as the seller, whether such contract is recorded or not and whether such contract is owned by the said Administrator or has been assigned by the said Administrator and is owned by the Administrator's assignee or by a remote assignee and the land records in the office of the Clerk and Recorder of Arapahoe County, Colorado, show the said Administrator as having the record title to the Condominium Unit. "Mortgagee" shall mean and refer to any Person named as a mortgagee or beneficiary under any Mortgage (including the Administrator of Veterans Affairs, an Officer of the United States of America, and his assigns under any executory land sales contract wherein the said Administrator is identified as seller, whether such contract is recorded or not and the land records in the office of the Clerk and Recorder of Arapahoe County, Colorado, show the said Administrator as having the record title to the Condominium Unit) under which the interest of any Owner is encumbered or any successor to the interest of any such Person under such Mortgage.

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

(l) "Project" means all of the Property, Condominium Units, Buildings and improvements submitted to this Declaration.

(m) "Board of Directors" or "Board" means the governing body of the Association.

(n) "Managing Agent" means the independent contractor employed by the Board to perform the management and operational functions of the Condominium Project.

(o) "Bylaws" means the bylaws of the Association.

(p) "Articles" means the articles of incorporation of the Association.

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

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

(s) "Condominium Project" means the Project and all land and improvements subsequently submitted to this Declaration as is hereinafter provided.

(t) "Declaration" means this Declaration together with any supplement or amendment hereto recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado.

Section 1.02 Map There shall be filed for record in the County of Arapahoe, 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 linear measurements and location, with reference to the exterior boundaries of said land, of the Building(s) and all improvements built on said land;

(c) Floor plans and elevation plans of the Building(s) showing the location, the designation and the linear dimensions of each Unit, and the designation of all of the Limited Common Elements;

(d) The elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plan, and the linear measurements showing the thickness of the perimeter and common walls of the Building.

The Map, and any supplement(s) thereto, shall contain a statement of an architect, engineer or registered land surveyor certifying that the Map fully and accurately depicts the layout, measurements, and location of all of the Building(s) and improvements, the Unit designations, 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, on or before December 31, 1987, 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 garages or parking spaces, and to establish certain General Common Elements as Limited Common Elements, provided, however, that any such amendment, conformation, establishment, vacation and relocation shall have been approved in writing in advance of such action(s) by the Veteran's Administration.

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.

ARTICLE II

DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP

Section 2.01 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 22 Condominium Units, each consisting of a separate fee simple estate in a particular Unit, and an appurtenant undivided fee simple interest in the Common Elements appurtenant to a particular Unit is as is set forth on Exhibit 2 attached hereto and incorporated herein by reference.

Section 2.02 Right to Combine Units Declarant hereby reserves the right to physically combine the area or space of one Unit with the area or space of one or more adjoining Units; provided, however, that Declarant shall not exercise said right without the written consent of any first Mortgagee having an interest in said Units. In the event of any such physical combining of Units to create a combined Unit, such

combined Unit shall also include the combining of the fixtures and improvements and of the undivided interests in Common Elements appurtenant to the Units so combined. Declarant hereby reserves the right to designate and convey to any purchaser of any such combined Unit, as additional Limited Common Elements appurtenant thereto, any walls, floors or other structural separations between the Units so combined, or any space which would be occupied by such structural separations but for the combination of such Units; provided, however, that such walls, floors or other structural separations or such space shall automatically become General Common Elements 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 of all of the Condominium Units within the Condominium Project to third party purchasers or December 31, 1987, whichever event first occurs.

Section 2.03 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, porch, patio or fireplace which is accessible from, associated with and/or which adjoin(s) a Unit and deck or yard 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.

Section 2.04 Inseparability of a Condominium Unit An Owner's undivided interest in the 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.

Section 2.05 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 (and Building description, if appropriate) designation followed by the words "Quincy Lake Condominiums", with further reference to the Map thereof to be filed for record and this Declaration to be recorded. Upon recordation of the Map and this Declaration in the records of the Clerk and Recorder of the County of Arapahoe, 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 (and Building designation, if appropriate) followed by the words Quincy Lake Condominium Association in accordance with and subject to the Declaration of Covenants, Conditions and Restrictions of Lakeview Terrace Plat Map recorded on _____, 19 ____, in Book _____ at Page _____, County of Arapahoe 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 Common Elements and the right to the use of the Limited 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 throughout and for use of the General Common Elements; the right to the exclusive use of the appurtenant Limited Common Elements; and the other easements, obligations, limitations, rights, encumbrances, covenants, conditions and restrictions created in this Declaration. The undivided interest in the Common Elements appurtenant to any Condominium Unit shall be deemed conveyed or encumbered with that Condominium Unit, even though the legal description in the instrument conveying or encumbering said Condominium Unit may only refer to the title to that Condominium Unit.

(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.

Section 2.06 No Partition The Common Elements shall remain undivided, and no Owner or any other Person shall bring any action for partition or division of the Common Elements. Each Owner hereby expressly waives any and all such rights of partition which he may have with respect to the Common Elements by virtue of his ownership of a Condominium Unit.

Section 2.07 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.

Section 2.08 Certain Work Prohibited No Owner shall undertake any work in his Unit which would jeopardize the soundness or safety of the Condominium 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 Buildings(s) without the prior written approval of the Board (which approval may be withheld for any reason) first having been obtained.

Section 2.09 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 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 11.01 hereafter); (ii) Declarant or its nominee or agents may use any Unit(s) as a model or sales unit or as a rental or construction office until all Condominium Units owned by Declarant in the Condominium Project are conveyed by Declarant; and (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.

Section 2.10 Owner's 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 nonsupporting 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 subflooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit and the Unit's doors and windows, including any patio, balcony, yard or deck enclosure. No Owner shall, however, make any changes or alterations of any type or kind to the exterior surfaces of the doors or windows to his Unit nor to any General Common Elements (including, but not limited to, the exterior portions of his Unit). The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities" running through his Unit which serve one or more other Units, except as a tenant in common with the other Owners. Each Owner shall have the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials. An Owner shall maintain and keep in good repair and in a clean, safe, attractive and slightly 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 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 section shall be the sole expense of said Owner.

Determination of whether such repair or maintenance is the obligation of the Association shall rest solely with the Association, which shall have sole responsibility for determining the kind and type of materials used in such repair and maintenance.

Section 2.11 Landscaping All landscaping plans or alterations to landscaping within the Limited Common Elements of a Unit shall be approved by the Association. Within 60 days of conveyance of the Unit by Declarant to an Owner, the Owner will submit a landscape plan for the Limited Common Elements conveyed for each unit to the Association. Upon approval of the plan by the Association, the Owner will have nine (9) months to install and complete the approved landscaping. If the Owner does not comply with the approved plan or time limit, the Association shall cause to be removed any item which is not in compliance with the approved plan or complete the landscaping in compliance with the approved plan. The cost shall be added to and become a part of the assessment to which such Owner's lot is subject and payable upon receipt and notice. No wall, fence or screen may be erected or maintained unless prior approval is obtained from the Association.

Section 2.12 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 Directors in the name of the Association on behalf of the Owners, or, in a proper case, by an aggrieved Owner. Aggrieved Owners shall also have rights of action against the Association.

Section 2.13 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 condition 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.

ARTICLE III

OWNER'S PROPERTY RIGHTS IN COMMON ELEMENTS

Section 3.01 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 the 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.

Section 3.02 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.

ARTICLE IV EASEMENTS

Section 4.01 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 Condominium Project and the roads, streets and driveways in the Condominium Project, over and on the halls, corridors, stairs, walks, bridges and exterior access and other easements which are part of the Common Elements. Each Owner shall have a non-exclusive easement in, on and over the 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.

Section 4.02 Easements for Encroachments: If any part of the Common Elements encroaches or shall hereafter encroach upon a Unit, a valid 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 Common Elements, or upon another Unit, the Owner of that Unit shall and does have a valid easement for such encroachment and for the maintenance of same. Such encroachments shall not be considered to be encumbrances either on the 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, construction, rising or shifting of the earth, or by changes in position caused by repair, reconstruction or movement of the Condominium Project or any part thereof.

Section 4.03 Easements in Units for Repair, Maintenance and Emergencies: Some of the Common Elements are or may be located within a Unit or may be conveniently accessible only through a particular Unit. The Association, Board and Managing Agent and each Owner shall have an easement, which may be exercised for any Owner by the Association, the Board or the Managing Agent, as his agent, for access through each Unit and to all Common Elements, from time to time, during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or for making repairs or replacements. Non-emergency repairs shall be made only during regular business hours or business days after twenty-four hours' notice to the occupant of the Unit wherein such repairs are to be made, except where the occupants have no objections to earlier entry for repairs. In emergency situations, the occupants of the affected Unit shall be warned of impending entry as early as is reasonably possible. Damage

to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements, or as a result of emergency repairs within another Unit, at the instance of the Association, the Board or the Managing Agent, shall be a Common Expense of all of the Owners. No diminution or abatement of Common Expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements or from action taken to comply with any law, ordinance or order of any governmental authority. Restoration of the damaged improvements shall be 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.

Section 4.04 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.

Section 4.05 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 Condominium Project, to enter upon all streets, roads and driveways located in the Condominium Project, and upon the Property, in the performance of their duties.

ARTICLE V

THE ASSOCIATION

Section 5.01 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 Condominium Project. It shall have all powers necessary or desirable to effectuate such purposes.

Section 5.02 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.

Section 5.03 Board of Directors: The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate any portion of its authority to an executive committee, or to a director or Managing Agent for the Association. There shall be not less than three nor more than ten members of the Board of Directors, the specific number to be set forth from time to time in the Bylaws, all of whom shall be Owners elected by Owners. Regardless of the number of members of the Board of Directors, the terms of at least one-third of such Board shall expire annually. Notwithstanding anything to the contrary provided for herein, however, until 120 days after Declarant has conveyed 75% of the Condominium Units in the Condominium Project or until December 31, 1987, whichever event shall first occur, the members of the Board of Directors shall be appointed by Declarant, its successors or assigns.

Section 5.04 Voting of Owners: The Owner or Owners of each Condominium Unit shall be entitled to one vote for each such Condominium Unit owned by said Owner or Owners.

Section 5.05 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, but not modified, by provisions of the Articles and Bylaws of the Association.

Section 5.06 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 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 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 Condominium Project and to perform all of the duties required of it. Notwithstanding the above, unless all of the first Mortgagees of Condominium Units 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 Condominium 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 or determining the pro rata share of ownership of each Condominium Unit in the Common Elements;

(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 Common Elements) any of the Common Elements;

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

Section 5.07 Common Elements: The Association shall provide for the care, operation, management, maintenance, repair and replacement of the Common Elements. 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 other materials from such General Common Elements which might impair access to the Condominium Project or the Units; keeping the Condominium Project safe, attractive and desirable; and making necessary or desirable alterations, additions, betterments or improvements to or on the General Common Elements.

Section 5.08 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.

Section 5.09 Labor and Services: The Association (i) may obtain and pay for the services of a Managing Agent who shall be an independent contractor 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 Condominium 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 Condominium 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.

Section 5.10 Property of Association: The Association may pay for, acquire and hold or lease real property (for the purpose set forth in Section 2.09 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 Condominium 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 Common Elements. A 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.

Section 5.11 Association Right to Grant Utility Easements: The Association shall have the right to grant utility easements under, through or over the Common Elements which are reasonably necessary to the ongoing development and operation of the Condominium Project. The rights granted to the Association in this subparagraph shall only be used in the promotion of the collective best interests of the Owners.

Section 5.12 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 (i) an annual audited financial statement of the Association within 90 days following the end of any fiscal year of the Association, and (ii) written notice of all meetings of the Association and such first Mortgagee shall have the right to designate a representative to attend all such meetings.

Section 5.13 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 Condominium 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 noncompliance thereof, all to the extent permitted by law.

Section 5.14 Certificate The Board of Directors may, from time to time, record a certificate of the identity and the mailing addresses of the persons then comprising the Board of Directors, together with the identity and address of the Managing Agent, if any 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.

Section 5.15 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.

ARTICLE VI

ASSESSMENTS

Section 6.01 Assessment for Common Expenses

(a) All Owners, including Declarant, shall be obligated to pay the annual assessments imposed by the Board of Directors to meet the Common Expenses from and after the conveyance of the first Condominium Unit by Declarant. The assessments shall be made pro rata according to each Owner's interest in and to the Common Elements of the Condominium Project. Except as hereinbefore provided, the Limited Common Elements shall be maintained as General Common Elements and Owners having the exclusive use thereof shall not be subject to any special charges or assessments. Assessments for the estimated Common Expenses shall be determined annually and shall be due monthly, in advance, on the first day of each month. The Board of Directors 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 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 annual requirements deemed to be such aggregate sum as the Board of Directors shall from time to time determine is to be paid to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the 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 Article IX 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 in any one calendar year; expenses and liabilities incurred by the Managing Agent or Board of Directors under or by reason of this Declaration; deficits remaining from a previous period; and other costs and expenses relating to the Common Elements. Further, it shall be mandatory for the Board to establish, out of such annual 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 Directors to fix the assessment for any year shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay same. Any Owner or first Mortgagee may, pursuant to Colo. Rev. Stat. Ann. Section 3833107 (1973, as amended), inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten days' notice to the Board of Directors or Managing Agent, if any, and upon payment of a reasonable fee, not to exceed Twenty Dollars, any Owner or Mortgagee of such Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. At the end of any calendar year, the Board of Directors 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.

(b) Subject to the limitation set forth in Section 6.04 hereafter, the Board of Directors shall have the right during any calendar year to levy and assess against all of the Owners a special assessment for such purpose or purposes, in accordance with this Declaration, the Articles or Bylaws, as may be necessary to keep the Project as a first class residential property, including, without limitation, expenditures for capital improvements. Such special assessment shall be borne by the Owners in accordance with each Owner's interest in the Common Elements and shall be a lien on each Unit when levied and shall be due and payable as determined by the Board of Directors.

Section 6.02. Maximum Annual Assessment Until January 1 of the year immediately following the conveyance of the first Condominium Unit

by Declarant to an Owner other than Declarant, the maximum annual Common Expense assessment shall be as follows:

<u>Unit Type</u>	<u>Maximum Annual Assessment</u>
2451	\$660.00
2442	\$720.00
2462	\$720.00
2412	\$720.00
2431	\$780.00

From and after January 1 of the year immediately following the conveyance of the first Condominium Unit by Declarant to an Owner other than Declarant, the maximum annual assessment for each Condominium Unit may be increased, without any vote of the Owners, by an amount equal to (i) one and one-half (1-1/2) times the increase in the Cost of Living Index for the City of Denver issued by the U.S. Department of Labor Statistics multiplied by that portion of the assessment which is not attributable to taxes, insurance and utilities, plus (ii) such Condominium Units pro rata share of the actual or estimated increases in the cost of utilities, taxes and insurance (the "Permitted Increase"). From and after January 1 of the year immediately following the conveyance of the first Condominium Unit to an Owner other than Declarant, the maximum annual assessment for each Condominium Unit may be increased by more than the Permitted Increase by action of the Board of Directors. The increased assessment may be vetoed by a vote of fifty-one percent (51%) of the Members eligible to vote at a meeting duly called for this purpose. The Board of Directors of the Association may, after consideration of the current maintenance costs and the financial requirements of the Association, fix the annual actual assessment at an amount less than the maximum.

Section 6.03 Assessment Reserves The Association shall require an Owner, other than Declarant, to deposit with the Association (one time only) an amount not exceeding two times the amount of the estimated monthly common assessment, which sum shall be held, by the Association, in a segregated account as a reserve and for working capital. Such an advance payment shall not relieve an Owner from making the regular monthly payment of the 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.

Section 6.04 Special Assessments In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the approval of the Board of Directors. The assessment may be vetoed by a vote of fifty-one percent (51%) of each class of Members who are eligible to vote at a meeting duly called for this purpose.

Section 6.05 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 Common Elements, if duly authorized by the Managing Agent or the Board of Directors in accordance with the Declaration or Bylaws, shall be deemed to be performed or furnished with the express consent of each Owner and shall be the basis for the filing of a lien pursuant to law against each of the Condominium Units in the Condominium 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 discharges. 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.

Section 6.06 Rate of Assessment Both annual common expense and special assessments shall be fixed at such rates for all Condominium Units sufficient to meet the expected needs of the Association, provided that, notwithstanding anything to the contrary contained in this Declaration, the annual common expense and special assessment rate set for each Condominium Unit owned by Declarant and which is neither leased, nor rented, nor otherwise occupied as a residence shall be fixed at twenty-five percent (25%) of the assessment rate for other Condominium Units. Condominium Units which are owned by Declarant and which are leased, rented, or otherwise occupied as a residence shall, commencing on the date of residential occupancy thereof, be assessed at the same rate as other Condominium Units. In the event all assessed fees, including but not limited to those portions of assessments for reserves, and all other income from whatever source, due to the Association, fail to equal or exceed the actual expenses incurred by the Association during any annual common expense assessment period because of such partial Declarant assessment, then Declarant shall, upon written notice from the Association, pay a sufficient amount, up to the amount of full parity on such assessment, to the Association to meet any such shortfall so long as (a) such notice must be given within one (1) year after the end of each annual common expense assessment period and is waived if not made in such timely manner (such final one-year period to terminate one (1) year after conveyance of the last Condominium Unit owned by Declarant) and (b) Declarant shall have no obligation for any such shortfall caused by any decrease in assessments, including without limitation the levying of any common expense assessment in an amount less than the maximum for that annual common expense assessment period, or by expenditures for capital improvements, unless the same has been previously approved in writing by Declarant; provided, however, that in the event there is more than one Declarant, as defined in this Declaration, each such Declarant shall pay its proportional share of such shortfall, as hereinabove provided, such proportional share to be based on the amount of the Property owned by each Declarant compared to the total amount of the Property owned by all Declarants.

Section 6.07 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:

(1) Tax and special assessment liens on the Condominium Unit in favor of any governmental assessing unit, and

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

(a) If any assessment shall remain unpaid after 20 days after the due date thereof, such unpaid sums shall bear interest from and after the due date thereof at the rate of 18% per annum, and the Board of Directors may impose a late charge on such defaulting Owner to cover the extra cost and expenses involved in handling such delinquent assessments.

(b) To evidence such lien the Board of Directors or Managing Agent shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by one of the Board of Directors and shall be recorded in the office of the Clerk and Recorder of the County of Jefferson, 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 Directors shall have the power to bid on the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same. The assessment lien shall attach whether or not such notice is filed.

(c) 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 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 title to and comes into possession of a Condominium Unit by foreclosure or by a deed in lieu thereof, or any purchaser at a foreclosure sale, shall acquire title to such Condominium Unit free and clear of any claims or lien for unpaid Common Expenses against such Condominium Unit which accrue prior to the time such holder acquires title to and comes into possession of the Condominium Unit.

(d) 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 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 days.

(e) 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 Common Elements, including judgment liens and Mortgage liens.

(f) Each Owner hereby agrees that the Association's lien on a Condominium Unit for assessments as hereinbefore described shall be superior to the homestead exemptions provided by Colo. Rev. Stat. Ann. Section 38-41-201, et. seq. (1973, as amended) and by 11 U.S.C. 522d(1), and each Owner hereby agrees that the acceptance of the deed or other instrument of conveyance in regard to any Condominium Unit within the Condominium Project shall signify such grantee's waiver of the homestead rights granted in said section of the Colorado statutes and the United States Bankruptcy Code.

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

Section 6.08 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 and a lien upon the Condominium Unit 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.

Section 6.09 Liability For Common Expenses Upon Transfer of a Condominium Unit

(a) Upon payment of a reasonable fee and upon ten days' prior written notice from any Owner or any Mortgagee or prospective grantee or Mortgagee of a Condominium Unit, the Association, by its Managing Agent or Board of Directors, shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Condominium Unit, the amount of the monthly payment 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 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 personal obligation for all unpaid Common Expenses and/or any special assessments shall not pass to successors in title or interest unless assumed by them. Upon payment of a reasonable fee not to exceed Twenty Dollars, and upon written request, any prospective grantee shall be entitled to a statement from the Managing Agent or Board of Directors setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Condominium Unit, the amount of the monthly payment on the annual assessment, the date of that such monthly payment 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 days from the receipt thereof, the Condominium Unit conveyed shall not be subject to a lien for any unpaid assessments against the subject Condominium Unit.

ARTICLE VII

DAMAGE, DESTRUCTION, OBSOLESCENCE OR CONDEMNATION

Section 7.01 Association as Attorney-in-Fact - Damage & 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 Condominium 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 are 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 Condominium 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 Condominium 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 a special assessment to be made against all of the Owners of the Condominium Project and their Condominium Units. Such deficiency assessment shall be made pro rata according to each Owner's interest in the Common Elements and shall be due and payable within thirty 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 the balance of the lien of any first Mortgage;
- (ii) for payment of taxes and special assessment liens in favor of any assessing entity;
- (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 Condominium 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 Condominium 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, or more, of the Common Elements and all of the first Mortgagees 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 a special assessment to be made against all of the Owners of the Condominium Project and their Condominium Units. Any assessment made in connection with such plan shall be made prorata according to each Owner's percentage interest in the 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 herein above. 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 section.

(d) If the Condominium 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 Common Elements and all of the first Mortgagees 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 Condominium 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 of the Condominium Units. If such policy or policies do not set forth the interests of the Owners, the insurance settlement proceeds shall be divided according to each Owner's interest in and to the Common Elements, as set forth on Exhibit 2 hereto. 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 Condominium Project. Such apportionment shall be based upon each Owner's percentage interest in the 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 section. The provisions contained in this subparagraph shall not hinder the protection given to a first Mortgagee under a mortgagee endorsement.

(e) The Owners representing an aggregate ownership interest of eighty-five percent (85%), or more, of the 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 all of the first Mortgagees. 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 independent appraisers and from the names of the four persons so nominated one shall be drawn by lot by any judge of any court of record in Colorado and the name so drawn shall be such umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two appraisers to agree, which, in any event, shall not be later than twenty (20) days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value, or in the case of their disagreement, then such decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the Association and the Owner. The sale shall be consummated within fifteen (15) days thereafter, and the Association, as attorney-in-fact, shall disburse such proceeds as is provided in subparagraphs (b) (i) through (v) of this section.

(f) The Owners representing an aggregate ownership interest of eighty-five percent (85%), or more, of the 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 Condominium 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 Common Elements, and such apportioned proceeds shall be paid into separate accounts, 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 section.

Section 7.02 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 Condominium 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 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 Condominium 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 un-

divided interests in the 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 same standard shall be employed to the extent it is relevant and applicable.

(d) Partial Taking In the event that less than the entire Condominium 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 Common Elements shall be apportioned among the Owners in proportion to their respective undivided interests in the 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 Section 7.01 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 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 Common Elements shall thereupon terminate, and the Association, as attorney-in-fact for such Owner, may take whatever action is necessary and execute such documents as are necessary to reflect such termination. Thereafter the Association shall reallocate the ownership and assessment ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the Owners of remaining Condominium Units for amendment of this Declaration.

ARTICLE VIII

INSURANCE

Section 8.01 Authority to Purchase; Notice

(a) Except as otherwise provided in Section 8.04 hereof, all insurance policies relating to the Property shall be purchased by the Board of Directors. The Board of Directors, the managing agent and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so avail-

able only at demonstrably unreasonably cost. The Board of Directors shall promptly furnish to each unit owner written notice of the procurement of, subsequent changes in, or termination of, insurance coverages obtained on behalf of the Association.

(b) Each such policy shall provide that:

(1) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the managing agent or the unit owners, and their respective agents, employees, tenants, guests and, in the case of the unit owners, the members of their households;

(2) The insurance shall be carried in blanket policy form naming the Association as insured, as attorney-in-fact, for all Lot Owners. All blanket policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of a particular Owner guilty of a breach of warranty, act, omission, negligence or noncompliance with any provisions of such policy, including payment of the insurance premium applicable to that Owner's interest or who permits or fails to prevent that 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 interest 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.

(3) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or noncompliance 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 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.

(4) Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least sixty days prior written notice to the Board of Directors, the managing agent and all Mortgagees.

(c) The Declarant, so long as Declarant shall own any unit, shall be protected by all such policies as a unit owner. The coverage provided to the Declarant under the insurance policies obtained in compliance with this Article shall not be deemed to protect or be for the benefit of any general contractor engaged by the Declarant nor shall such coverage be deemed to protect the Declarant against liability for (or waive any rights with respect to) warranty claims.

(d) All policies of insurance shall be written by reputable companies licensed to do business in the State of Colorado.

(e) Deductibles. 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 Condominium 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, after notice and hearing, 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 the assessments or other charges.

Section 8.02 Physical Damage Insurance

(a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (if applicable), debris removal and water damage endorsements, insuring the entire Property (including all of the units and the bathroom and kitchen fixtures initially installed therein by the Declarant and the replacements thereof installed by the Declarant but not including furniture, wall coverings, improvements and additions, furnishings or other personal property supplied or installed by unit owners), together with all air-conditioning and heating equipment and other service machinery contained therein and covering the interest of the Association, the Board of Directors and all unit owners and their Mortgagees, as their interest may appear, (subject, however, to the loss payment and adjustment provisions in favor of the insurance trustee), in an amount equal to one hundred percent of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). The Board of Directors shall also obtain and maintain such coverage on all real and personal property owned by the Association.

(b) Such policy shall also provide:

(1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made not to do so;

(2) The following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or unit owner or their agents when such act or neglect is not within the control of the insured, or the unit owners collectively; nor by any failure of the insured, or the unit owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the unit owners collectively, have no control); (ii) "cost of demolition"; (iii) "contingent liability from operation of building laws or codes"; (iv) "increased cost of construction"; (v) "condominium replacement cost"; and (vi) "agreed amount" or elimination of co-insurance clause; and

(3) That any "no other insurance" clause expressly exclude individual unit owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual unit owner's policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual unit owners or their Mortgagees, unless otherwise required by law.

(c) A duplicate original of the policy of physical damage insurance all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee requesting the same, at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board may determine, of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this section. All mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such unit.

Section 8.03 Other Insurance The Board of Directors shall obtain and maintain:

(a) Adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the managing agent. Such fidelity bonds shall: (i) name the Association as an obligee; (ii) be written in an amount not less than one-half the total annual condominium assessments for the year or the amount required by the Mortgagees, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) If required by any governmental or quasi-governmental agency, including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;

(c) Worker's Compensation insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);

(d) Director's and Officer's Liability Insurance - The association shall maintain adequate liability coverage to protect against any negligent acts on the part of directors or officers of the Association.

(e) Bodily Injury and Property Damage - Bodily injury and property damage liability insurance in such limits as the Board or Managing Agent may from time to time determine, but not in an amount less than \$50,000 per injury, per person, 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 Condominium 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 Condominium Project, there must be in force boiler explosion insurance providing for not less than \$50,000.00 per accident per location.

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

Section 8.04 Other Insurance to be Maintained by Owners An insurance policy issued to the Association does not prevent a unit owner from obtaining insurance for his own benefit. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, personal liability insurance coverage within each Residence and upon each Lot shall be the responsibility of the Owner thereof. If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

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

Section 10.03 Animals No animals, livestock, reptiles or birds shall be kept on any part of the Condominium 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 Condominium Project. No animals shall be allowed to remain tied or chained to any balconies, patios or other parts of the Condominium Project, and any such animal(s) so tied or chained may be removed by the Association or its agents.

Section 10.04 Property to be Maintained Each Unit at all times shall be kept in a clean, sightly and wholesome condition. No trash, litter, junk, boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Units so that same are visible from any neighboring Unit or street, except as necessary during the period of construction. No unsightliness or waste shall be permitted on or in any part of the Condominium 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 Common Elements; nor shall any Owner hang, erect, affix or place anything upon any of the 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.

Section 10.05 No Noxious, Offensive, Hazardous or Annoying Activities No noxious or offensive activity shall be carried on upon any part of the Condominium Project nor shall anything be done or placed on or in any part of the Condominium 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 Condominium Project and no improvements shall be made or constructed on any part of the Condominium Project which are or might be unsafe or hazardous to any Person or property. No sound shall be emitted on any part of the Condominium Project which is unreasonably loud or annoying. No odor shall be emitted on any part of the Condominium Project which is noxious or offensive to others. No light shall be emitted from any part of the Condominium Project which is unreasonably bright or causes unreasonable glare.

Section 10.06 Parking of Vehicles Parking of any and all vehicles on the Condominium Project shall be subject to the rules and regulations of the Association, provided that the Owner(s) of each Condominium Unit shall have the right to the use, for at least one automobile, of at least one parking space.

Section 10.07 Restrictions on Parking and Storage No part of the Condominium 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 accomodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat, or accessories thereto, truck, recreational vehicle, self-contained motorized 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 Condominium Project which are necessary for the construction or maintenance of the Common Elements).

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

Section 10.08 Repair No activity by the Owner such as, but not limited to, maintenance, repair, rebuilding, dismantling, repainting, or services of any kind may be performed in parking areas. The foregoing restriction shall not be deemed to prevent washing and polishing of any motor vehicle.

Section 10.09 Sales and Construction Facilities and Activities of Declarant 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 Condominium Project, upon such portion of the Condominium Project as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required 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, rental office, parking areas and lighting and temporary parking facilities for all prospective tenants or purchasers of Condominium Units. In addition, Declarant, its agents, employees and contractors shall have the right to ingress and egress over the Common Elements as in Declarant's discretion may be necessary with regard to the foregoing. Further, Declarant, its agents, employees and contractors shall have the right 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.

Section 10.10 Restriction on Signs No signs or advertising devices of any nature shall be erected or maintained on any part of the Condominium Project without the prior written consent of the Board. The Board shall permit the placing of at least one sign of reasonable size and dignified form to identify the Condominium Project and the Condominium Units therein. So long as any Condominium Unit owned by Declarant in the Condominium Project remains unsold, no Owner shall be permitted to place any sign on the Condominium Project or on his Unit or on any Building advertising his Condominium Unit for sale or lease.

Section 10.11 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. The Board may impose a fine, not to exceed Fifty Dollars, on any Owner for each violation of such rules and regulations by such Owner, his family, tenants or Guests.

ARTICLE XI

MISCELLANEOUS

Section 11.01 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 the 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, Bylaws and rules and regulations, and that any failure by the lessee to comply therewith shall be a default under the lease. Any Owner who leases his Condominium Unit shall, within ten (10) days after the execution of such lease, forward a copy of the same to the Board or the Managing Agent; and

(iv) Except for a first Mortgagee in possession of a Condominium Unit following a 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 or for a term of less than 30 days.

Section 11.02 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 Condominium Project and

this Declaration are terminated, revoked, or amended as hereinafter provided.

Section 11.03 Amendment and Termination During the first 20 years after the date of recordation of this Declaration, 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 Condominium Project may be terminated or revoked, by the recording of a written instrument or instruments specifying the amendment or addition or the fact of termination and revocation, executed by the Owners, as shown by the records in the office of the Clerk and Recorder of the County of Arapahoe, Colorado, of Condominium Units in the Condominium Project representing an aggregate ownership interest of sixty percent (60%), or more, of the Common Elements in the Condominium Project and all of the first Mortgagees in the Condominium Project; and after such 20 year period, by the Owners representing an aggregate ownership interest of seventy-five percent (75%), or more, of the Common Elements in the Condominium Project and all of the first Mortgagees in the Condominium Project; provided however, that in no event shall the undivided interest of an Owner in the 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 it is holding for rental or sale, no rights of Declarant contained in Section 10.09 of 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.

Section 11.04 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 Condominium 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 Condominium 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 Condominium 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 Condominium 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 Condominium Project and each Condominium Unit in favor of the Association.

Section 11.05 Protection of Encumbrancer Subject to the provisions of Section 2.12, 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 Arapahoe, Colorado prior to the time such violation, breach or failure to comply occurred, 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 and the coming into possession by 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.

Section 11.06 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.

Section 11.07 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.

Section 11.08 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 Directors of the Association or the Association shall be sent by certified mail, postage prepaid, to Linda D. Schubarth, Building 43, 5295 DTC Parkway, Englewood, Colorado 80111, agent for service, until such address is changed by a notice of address duly recorded with the office of the Secretary of Colorado.

Section 11.09 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.

Section 11.10 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.

Section 11.11 Captions The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provision of this Declaration.

Section 11.12 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.

Section 11.13 Conflict In case of conflict between this Declaration and the Articles or the Bylaws, this Declaration shall control. In case of conflict between the Articles and the Bylaws, the Articles shall control.

Section 11.14 Veterans Administration and Federal Housing Administration's Approval So long as Declarant or its successors and assigns have control of the Association, the following actions will require the prior written approval of the Veterans Administration: annexation of additional properties, amendment of this Declaration, amendment of the Articles, amendment of the Bylaws, mergers, consolidations, mortgaging of the Common Elements, and dissolution of the Association.

Section 11.15 Enforcement The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all

restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 11.16 Limitation of Declarant's Control Notwithstanding any other provision herein contained, so long as Declarant or its successors or assigns have control of the Association, the following actions must be approved by Declarant and Owners who own at least 66% of the Condominium Units conveyed by Declarant, its successors and assigns: amendment of this Declaration, amendment of the Articles, amendment of the Bylaws, mergers or consolidation of the Association, mortgaging of the Common Elements, dissolution of the Association, making a special assessment in excess of \$100.00 per Condominium Unit in any one calendar year or dedication of the Common Elements or any part thereof.

Section 11.17 Recreational Facilities The Condominium Project contains a pool and clubhouse.

Section 11.18 Reservation to Enlarge and Supplement Condominium Project

(a) Declarant, for itself, its successors and assigns, shall have and hereby expressly reserves the right to enlarge this Condominium Project by annexing and submitting hereto, within seven years from the date of recordation of this Declaration, all or a part of the real property, and improvements thereon, described on Exhibit 3 hereto. All such annexations must be according to a general plan approved by the Veterans Administration. Such additions shall be expressed in and by duly recorded Supplement(s) to this Declaration and by filing for record of additional section(s) or supplement(s) to the Map. The reference to the Map and Declaration in any instrument shall be deemed to include any supplement to the Map and Declaration without specific reference thereto.

(b) Upon Declarant's annexation of additional property to this Declaration and the filing of the supplemental condominium map thereof, the undivided interest in the Common Elements (including all Common Elements located on the Property described on Exhibit 1 attached hereto, all Common Elements located on the additional property contained in such annexation and all Common Elements contained in any other property annexed to this Declaration prior to such annexation) appurtenant to each Condominium Unit shall automatically be reduced to a fraction, the numerator of which shall be the number of square feet contained in such Condominium Unit and the denominator of which shall be the total number of square feet contained in all Condominium Units then subject to this Declaration, with such square footages to be determined by Declarant, and the undivided interest in the Common Elements appurtenant to each Condominium Unit described in and annexed by such supplemental condominium map shall be the same fraction. The new undivided interests in the Common Elements for the Condominium Units initially created by this Declaration and for the Condominium Units annexed by such supplemental condominium map shall be set forth in the supplement to this Declaration annexing such additional real property. The maximum undivided interest in the Common Elements for each of the Condominium Units initially created by this Declaration is as set forth on Exhibit 2 hereto.

(c) Except as may be otherwise provided by the provisions of such Supplement(s) to this Declaration, all of the provisions contained in this Declaration shall be applicable to such additional Condominium Units submitted to this Condominium Project.

(d) As additional Condominium Units are submitted to this Condominium Project and in order that the Common Expenses of the Condominium Project be shared equitably by the Owners of the initially submitted Condominium Units and the Owners of all subsequently submitted additional Condominiums Units, the Common Expenses shall be shared pro rata according to the undivided interests of the Owners in the Common Elements after such annexation. Each Condominium Unit in the Condominium Project, regardless of the number of Owners, shall be entitled to one vote which shall not change by the enlargement of the Condominium Project or otherwise.

(e) Annexations to this Declaration will contain new additions to the General and Limited Common Elements, which additions may contain any or all of the types of General and Limited Common Elements described herein. Notwithstanding any such annexation, each Owner (regardless of whether such Owner is the owner of a Condominium Unit enumerated in Exhibit 2 attached hereto or is the owner of fully liable in accordance with the provisions hereof with respect to his obligation for the payment of the Common Expenses of the Association, including the expenses for such new General and Limited Common Elements and new recreational facilities, costs and fees, if any.

(f) It is contemplated that additional property described on Exhibit 3 will ultimately be annexed to this Condominium Project, but Declarant, its successors and assigns, shall have no affirmative obligation to do so. The rights of Declarant, its successors and assigns, as described herein shall apply to all properties which are added to this Condominium Project in accordance with these provisions relating to enlargement thereof.

IN WITNESS WHEREOF, Declarant has executed this Declaration this 28th day of March, 1983.

MEDEMA HOMES, INC., A division of AMERICAN CONTINENTAL CORPORATION, an Ohio corporation



By: James A. Hernquist
James A. Hernquist, Vice President

By: Everett L. Pfeiff
Everett L. Pfeiff, President

STATE OF COLORADO)
) SS.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 28th day of March, 1983 by Everett L. Pfeiff as President and James A. Hernquist as Vice President of MEDEMA HOMES, INC., a division of AMERICAN CONTINENTAL CORPORATION, an Ohio corporation.

WITNESS my hand and official seal.

My commission expires: 9/29/83



Linda D. Schubarth
LINDA D. SCHUBARTH
5295 DTC Pkwy.
Englewood, CO 80111

<u>Condominium Unit</u>	<u>Building</u>	<u>Undivided Interest In The Common Elements</u>
1	1	.06731
2	1	.04396
3	1	.04396
4	1	.04396
5	1	.04396
6	1	.03537
7	2	.04115
8	2	.04396
9	2	.04396
10	2	.03537
11	3	.06731
12	3	.04396
13	3	.04396
14	3	.04396
15	3	.04396
16	3	.03537
17	4	.06731
18	4	.04396
19	4	.04396
20	4	.04396
21	4	.04396
22	4	.03537

A tract of land situated in the West half of Section 9, Township 5 South, Range 66 West of the 6th Principal Meridian, City of Aurora, County of Arapahoe, State of Colorado, more particularly described as follows:

Commencing at the Northwest corner of the Southwest quarter of said Section 9; thence $50^{\circ}16'43''$ W, along the West line of said Southwest quarter 208.03 feet to the centerline of East Wagontrail Parkway as platted in Summer Valley Filing No. 13; thence along said centerline the following three (3) courses:

1. thence S $89^{\circ}43'17''$ E, 400.00 feet to a point of curvature;
2. thence on a curve to the right having a central angle of $16^{\circ}22'51''$ a radius of 700.00 feet, and an arc length of 200.13 feet to a point of tangency;
3. thence S $73^{\circ}20'26''$ E, 306.63 feet to the centerline of South Pitkin Street;

thence N $16^{\circ}39'34''$ E, along said centerline, 35.00 feet to the Point of Beginning; thence along the center-line of said South Pitkin Street, the following four (4) courses:

1. thence N $16^{\circ}39'34''$ E, 459.21 feet to a point of curvature;
2. thence on a curve to the left having a central angle of $16^{\circ}09'34''$, a radius of 700.00 feet, and an arc length of 197.42 feet to a point of tangency;
3. thence N $00^{\circ}30'00''$ E, 911.67 feet to a point of curvature;
4. thence on a curve to the left having a central angle of $3^{\circ}36'13''$, a radius of 700.00 feet, and an arc length of 44.03 feet;

thence N $86^{\circ}53'47''$ E, 70.00 feet; thence S $79^{\circ}06'11''$ E, 25.00 feet; thence N $74^{\circ}02'14''$ E, 269.99 feet; thence N $15^{\circ}57'46''$ W, 471.80 feet; thence along the South line of Public Land S $85^{\circ}45'28''$ E, 768.92 feet to a point situated on the Westerly boundary line of Quincy Reservoir Subdivision First Filing; thence along said Reservoir boundary for the following four (4) courses:

1. thence S $29^{\circ}51'50''$ W, 428.75 feet;
2. thence S $11^{\circ}54'38''$ E, 300.17 feet;
3. thence S $13^{\circ}00'18''$ W, 400.13 feet;
4. thence S $24^{\circ}04'23''$ E, 199.67 feet;

to a point on the Northwesterly boundary line of Summer Valley Subdivision Filing No. 20; thence along said Northwesterly boundary line for the following two (2) courses:

1. thence S $46^{\circ}47'51''$ W, 728.57 feet;
2. thence S $16^{\circ}39'34''$ W, 444.25 feet to the North line of said East Wagontrail Parkway;

thence N $73^{\circ}20'26''$ W, along said North line 355.38 feet to the Point of Beginning;

Said tract of land contains 1,340,338 square feet; 30,7699 acres, more or less, except for the area described in Exhibit 1.