

CONDOMINIUM DECLARATION
FOR THE APPLETREE CONDOMINIUMS

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CONDOMINIUM DECLARATION
FOR THE APPLETREE CONDOMINIUMS

THIS CONDOMINIUM DECLARATION made this 27th day of December, 19 77 by ALPERT CORPORATION, a Colorado corporation (hereinafter referred to as the "Declarant").

W I T N E S S E T H:

WHEREAS, the Declarant is the owner in fee of the property described in Exhibit A attached hereto and incorporated herein by this reference; and

WHEREAS, the Declarant, or its successors or assigns, will construct multi-unit buildings on the above-described property, as well as recreational facilities and other improvements, appurtenances and facilities thereto and thereon, and it desires hereby to provide for the condominium ownership of the same pursuant to the provisions of the Condominium Ownership Act of the State of Colorado; and

WHEREAS, the Declarant desires to subject and place upon the above-described property certain covenants, conditions, restrictions, easements, reservations, rights-of-way and other charges set forth herein for the purpose of protecting the value and desirability of said property and for the purpose of furthering a plan for the improvement, sales and condominium ownership of said property, and to the end that a harmonious and attractive development of said property may be accomplished and the health, comfort, safety, convenience and general welfare of the Declarant and its successors and assigns of interests in said property, or any portion thereof, may be promoted and safe guarded;

NOW, THEREFORE, in consideration of the premises, the provisions hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declarant hereby submits the above-described property, together with all recreational facilities and other improvements, appurtenances and facilities thereto and now or hereafter thereon to condominium ownership under the Condominium Ownership Act of the State of Colorado, as the same may be amended from time to time, and hereby imposes upon all of said property the following covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions, and the Declarant hereby declares that all of said property and any property or properties hereinafter annexed hereto shall hereafter be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to the following:

ARTICLE I

DEFINITIONS.

1.1 Declaration. "Declaration" shall mean and refer to this Condominium Declaration, as it may be amended from time to time.

1.2 Declarant. "Declarant" shall mean and refer to Alpert Corporation, a Colorado corporation, its successors and assigns, if such successors or assigns acquire one or more portions of the Property from the Declarant for the purpose of constructing Condominium Buildings thereon.

1.3 Association. "Association" shall mean and refer to the Appletree Condominium Association, a Colorado corporation, its successors and assigns. The Association shall act by and through its Board of Directors and its elected officers.

1.4 Board. "Board" shall mean and refer to the Board of Directors of the Association.

1.5 Property. "Property" shall mean and refer to the property described in Exhibit A attached hereto, together with any property which is hereafter annexed to this Declaration pursuant to the provisions of Article XX hereof.

1.6 Individual Air Space Unit. "Individual Air Space Unit" shall mean and refer to the air space contained within the enclosed rooms occupying part of a floor or floors in a Condominium Building and bounded by the interior surfaces of the perimeter walls (or the adjoining walls, if two or more Individual Air Space Units adjoin each other), floors (or lowermost floors, if it is an Individual Air Space Unit containing more than one level), ceilings (or the uppermost ceilings, if it is an Individual Air Space Unit containing more than one level), windows and window frames, door and door frames of a Condominium Building and separately identified on the Condominium Map.

1.7 Condominium Unit. "Condominium Unit" shall mean and refer to the fee simple interest in and to an Individual Air Space Unit, together with all fixtures and improvements therein contained, and together with the undivided interest in the Common Elements appurtenant to the Individual Air Space Unit as shown in Exhibit B attached hereto and incorporated herein by this reference, which undivided interest is subject to being modified by annexations to this Declaration pursuant to the provisions of Article XX hereof.

1.8 Condominium Building. "Condominium Building" shall mean and refer to any building (including all fixtures and improvements therein contained) located on the Property and, within which, one or more Individual Air Space Units are located.

1.9 Other Building. "Other Building" shall mean and refer to any building or other similar structure (including all fixtures and improvements therein contained) located on the Property, but excluding any Condominium Building.

1.10 Common Elements. "Common Elements" shall mean and refer to the totality of:

1.10.1 The Property; and

1.10.2 The Condominium Buildings (including, but not by way of limitation, the foundations, columns, girders, beams, supports, perimeter and supporting walls, chimneys, fireplaces, roofs, patios, balconies, halls, corridors, lobbies, stairs, stairways, fire escapes, entrances and exits, and the mechanical installations of the Condominium Buildings consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, heating, refrigeration, central air conditioning and incinerating which exist for common uses, including the pipes, vents, ducts, flues, chutes, conduits, wires and other similar utility installations used in connection therewith), except for the Individual Air Space Units; and

1.10.3 The Other Buildings; and

1.10.4 The yards, sidewalks, walkways, paths, bicycle paths, grass, shrubbery, trees, driveways, landscaping, gardens, parking areas, swimming pools, tennis courts, carports and recreational areas and facilities; and

1.10.5 The tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus, installations and equipment of the Condominium Buildings existing for common use of the Owners; and

1.10.6 In general, all other parts of the Project existing for the common uses of the Owners, and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

1.11 General Common Elements. "General Common Elements" shall mean and refer to all of the Common Elements, except for the Limited Common Elements.

1.12 Limited Common Elements. "Limited Common Elements" shall mean and refer to those parts of the Common Elements which are either limited to and reserved for the exclusive use of the Owner or Owners of a particular Condominium Unit or are limited to and reserved for the common use of the Owners of more than one, but fewer than all, of the Condominium Units. Without limiting the foregoing, the Limited Common Elements shall include carports and the Limited Common Elements shall also include the balcony or patio and the fireplace adjacent to an Individual Air Space Unit and the utility, heating, air conditioning and hot water heating equipment contained within such Individual Air Space Unit. The balcony or patio and the fireplace which is accessible from, associated with, and which adjoins a particular Individual Air Space Unit and the utility, heating, air conditioning and hot water heating equipment associated therewith shall, without further reference thereto, be used in connection with such Individual Air Space Unit to the exclusion of the use thereof by the other Owners, except by invitation. No reference thereto need be made in any instrument of conveyance, encumbrance or other instrument.

1.13 Owner. "Owner" shall mean and refer to any record owner (including Declarant; and including a contract seller, but excluding a contract purchaser), whether a natural person or an entity, of a fee simple title interest to any Condominium Unit; but excluding, however, any such record owner having such an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof). When a person who is an Owner conveys or otherwise assigns of record his fee simple title interest to a Condominium Unit, then, retroactive to the date of such conveyance or assignment, such person shall thereafter cease to be an Owner; provided, however, that the foregoing shall not in any way extinguish or otherwise void any unsatisfied obligation of such person which existed or arose at the time of such conveyance or assignment, specifically including without limiting the generality of the foregoing, any unsatisfied obligation to pay Association assessments.

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

assignee or by a remote assignee and 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.

1.15 First Mortgage. "First Mortgage" shall mean and refer to the unpaid and outstanding purchase money Mortgage or purchase money deed of trust having priority of record over all other recorded liens except those governmental liens made superior by statute (such as general ad valorem tax liens and special assessments). "First 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 the original 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 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.

1.16 Mortgagee. "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.

1.17 First Mortgagee. "First Mortgagee" shall mean and refer to the Mortgagee under a First Mortgage.

1.18 Project. "Project" shall mean and refer to the totality of all the Property, Condominium Buildings, Other Buildings, Condominium Units and Common Elements.

1.19 Condominium Map. "Condominium Map" shall mean and refer to the Condominium Map for the Appletree Condominiums recorded in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado. More than one Condominium Map or supplements thereto may be recorded; and, without limiting the generality of the foregoing, separate Condominium Maps may be recorded for each Condominium Building or for each annexation to this Declaration pursuant to the provisions of Article XX hereof. If more than one condominium map or supplements thereto is recorded, then the term "Condominium Map" shall collectively mean and refer to all of such condominium maps and supplements thereto.

ARTICLE II

DIVISION OF PROJECT INTO CONDOMINIUM OWNERSHIP.

2.1 Division Into Condominium Units. The Project is hereby initially divided into 84 separate Condominium Units as identified in Exhibit B attached hereto; provided, however, that such number of Condominium Units may be modified by annexations to this Declaration pursuant to the provisions of Article XX hereof.

2.2 Inseparability. No part of a Condominium Unit or of the legal rights comprising ownership of a Condominium Unit may be partitioned or separated from any other part thereof during the period of condominium ownership prescribed in this Declaration. Each Condominium Unit and the undivided interest in the Common Ele-

ments appurtenant to the Individual Air Space Unit shall always be conveyed, transferred, devised, bequeathed, encumbered and otherwise affected only as a complete Condominium Unit. Every conveyance, transfer, gift, devise, bequest, encumbrance or other disposition of a Condominium Unit or any part thereof shall be presumed to be a conveyance, transfer, gift, devise, bequest, encumbrance or other disposition, as the case may be, of the entire Condominium Unit, together with all appurtenant rights and interests created by law or by this Declaration.

2.3 Non-Partitionability. The Common Elements shall be owned in common by all of the Owners and shall remain physically undivided, and no Owner shall bring any action for partition or division of the Common Elements. By acceptance of his deed or other instrument of conveyance or assignment, each Owner shall be deemed to have specifically waived his right to institute and/or maintain a partition action or any other cause of action designed to cause a division of the Common Elements and this Section 2.3 may be pleaded as a bar to the maintenance of such an action. Any Owner who shall institute or maintain any such action shall be liable to the Association and hereby agrees to reimburse the Association for the Association's costs, expenses and reasonable attorneys' fees in defending any such action.

2.4 Owner's Rights and Duties with Respect to Interiors. Each Owner shall have the exclusive right and duty to paint, tile, wax, paper or otherwise decorate or redecorate the interior surfaces of the walls, floors, ceilings and doors forming the boundaries of his Individual Air Space Unit and all walls, floors, ceilings and doors within such boundaries.

ARTICLE III

CONDOMINIUM MAP.

3.1 Condominium Map. The Declarant shall cause the Condominium Map to be filed in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado prior to the conveyance of the first Condominium Unit.

ARTICLE IV

OWNERS' PROPERTY RIGHTS IN COMMON ELEMENTS.

4.1 Rights of Ingress and Egress. Every Owner, his family members, his guests and licensees shall have a right and easement of ingress and egress over, across and upon the General Common Elements for the purpose of getting to and from his Condominium Unit, his carports and parking areas, the recreational facilities and the public way for both pedestrian and vehicular travel, which right and easement shall be appurtenant to and pass with the transfer of title to the Owner's Condominium Unit; provided, however, that such right and easement shall be subject to the following:

4.1.1 The covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions contained in this Declaration and contained in the Condominium Map; and

4.1.2 The right of the Association to charge reasonable admission and other fees for the use of any recreational or other facility which is part of the Common Elements; and

4.1.3 The right of the Association to suspend any and all rights of any Owner to the use of any recreational facilities for any period during which any Association assessment against such Owner or against such Owner's Condominium Unit remains unpaid and for any reasonable period assessed by the Association as a result of the Owner's infraction, or the infraction by any member of the Owner's family or by the Owner's guests or invitees, of any rule or regulation of the Association; and

4.1.4 The right of the Association to limit the number of guests or invitees of each Owner which may use the recreational or other facilities contained in the Common Elements; and

4.1.5 The right of the Association to assign specific parking spaces or areas for the exclusive use of the Owners of particular Condominium Units or of particular Condominium Buildings; provided, however, that each Condominium Unit will have the right to use at least one parking space for the purpose of automobile parking and each Owner of that Condominium Unit shall have the right to use such space; and

4.1.6 The right of the Association to adopt, from time to time, any and all rules and regulations concerning vehicular traffic and travel upon, in, under and across the Project; and

4.1.7 The right of the Association to adopt, from time to time, any and all rules and regulations concerning the Common Elements and the facilities located thereon as the Association may determine is necessary or prudent.

4.2 Limited Common Elements. Subject to the provisions of this Declaration, every Owner shall have the exclusive right to use and enjoy the Limited Common Elements appurtenant to his Condominium Unit.

4.3 Carpports. All carpports contained within the Project shall be a part of the Limited Common Elements. Each carpport shall be limited to and reserved for the exclusive use of the Owners of a particular Condominium Unit. Any contract, deed, lease, assignment, mortgage, deed of trust or other instrument to convey, lease, assign, encumber or otherwise affect the right to use a particular carpport may describe the carpport by adding to the appropriate description, as set forth in Section 9.2 hereof, the additional language "Together with the right to use Carpport No. ____". The Association shall have the duty to maintain and repair the carpports in the same manner as it has the duty with respect to all other Limited Common Elements; provided, however that since there will not be a carpport for each Condominium Unit, the Owners of a Condominium Unit which have the right to the use of a carpport shall also have the obligation to reimburse the Association for its costs and expenses in maintaining and repairing the particular carpport. If the Owners of a Condominium Unit shall not reimburse the Association within 30 days after the Association shall have given notice to such Owners of the total amount, or any portions thereof from time to time, of such costs and expenses of maintaining and repairing such Owners' carpport, then the failure to so repay shall be a default by the Owners under the provisions of this Section 4.3 and such costs and expenses shall automatically become a default assessment determined and levied against such Condominium Unit and the Association may proceed in accordance with Section 7.11 hereof. Upon determining the location of all carpports contained within the Project, Declarant shall prepare a supplement or supplements to the Condominium Map which shall accurately show the location of all such carpports and shall cause such supplement(s) to be recorded

in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado. Declarant hereby specifically reserves the right to prepare and record such supplement(s). Any contract, deed, lease, assignment, mortgage, deed of trust or other instrument to convey, lease, assign, encumber or otherwise affect the right to use a particular numbered carport and which is executed prior to the recording of such supplement(s) shall be deemed to make reference to and incorporate such supplement(s) as the same are subsequently recorded.

4.4 Major Recreational Facilities. The only major recreational facilities to be constructed by Declarant as a part of the Common Elements are a swimming pool and tennis court. Subject to the provisions of Section 4.1 hereof, all major recreational facilities shall be available to be used by all Owners and the members of their families, their guests and invitees.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION.

5.1 Membership. Every Owner shall be a member of the Association and shall remain a member for the period of his ownership of a Condominium Unit; provided, however, in no event shall the total Association votes which are cast with respect to such Condominium Unit exceed the total number of votes therefor as provided under Section 5.2 hereof. The Association shall have only one class of membership. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Condominium Unit.

5.2 Voting Rights. In this condominium development there shall initially be 84 Condominium Units. There shall be one representative membership vote in the Association for each Condominium Unit owned so that the total votes cast in relation to any question may not initially exceed 84 votes. The number of Condominium Units and votes may be modified by annexations to this Declaration pursuant to the provisions of Article XX hereof; provided, however, that there shall always be only one membership vote in the Association for each Condominium Unit regardless of whether the Condominium Unit is enumerated on Exhibit B attached hereto or is contained in the additional property annexed to this Declaration. When more than one person holds an interest in a Condominium Unit, they may appoint one of their co-Owners as proxy to cast the vote for that Condominium Unit. The vote for such Condominium Unit shall be cast as the Owners thereof agree, but in no event shall more than one vote per question be cast with respect to any one Condominium Unit. If the Owners of such Condominium Unit cannot agree as to the manner in which their vote should be cast when called upon to vote, then they will be treated as having abstained. During the development and initial sales period, Declarant shall appoint the members of the Board of the Association until Declarant has conveyed 75% of the Condominium Units to the first purchasers or until December 31, 1981, whichever shall first occur. Notwithstanding the foregoing, in the event that the Declarant shall annex any additional property to this Declaration pursuant to the provisions of Article XX hereof, then the Declarant shall continue to have the right to appoint the members of the Board until the Declarant has conveyed 75% of the Condominium Units in each of such annexed properties to the first purchasers; provided, however, in no event shall the Declarant's right to appoint the members of the Board extend beyond December 31, 1981.

5.3 Owner's Address for Notices. Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or

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

ARTICLE VI

THE ASSOCIATION.

6.1 Management Duties and Duty to Establish Reserve Account. Subject to the rights of Owners as set forth in this Declaration, the Association shall be responsible for the exclusive management, control, maintenance, repair, replacement and improvement of the Common Elements (including facilities, furnishings and equipment related thereto), and shall keep the same in good, clean, attractive and sanitary condition, order and repair; provided, however, that each Owner shall be responsible for keeping the Limited Common Elements designated for use in connection with his Condominium Unit in a good, clean, sanitary and attractive condition. The Association shall be responsible for the maintenance and repair of exterior surfaces of the Condominium Buildings (including without limitation, the painting of the same as often as necessary, the replacement of trim and caulking, and the maintenance and repair of roofs), and the maintenance and repair of the General Common Elements and the Limited Common Elements. The Association shall maintain in good, clean, attractive and sanitary condition, order and repair any swimming pool, swimming pool equipment, associated restrooms and dressing areas which may be part of the Common Elements. The Association shall maintain in a proper, first class manner all grass, trees, shrubbery, flowers and similar landscaping constituting part of the Common Elements. The Association shall establish and maintain, out of the monthly installments of the annual assessments, an adequate reserve account for replacement of the Common Elements. The foregoing specification of the duties of the Association with respect to particular Common Elements shall not be construed to limit its duties with respect to other Common Elements, as set forth in the first sentence of this Section 6.1. The expenses, costs and fees of such management, operation, maintenance and repair by the Association shall be part of the Association assessment and prior approval of the Owners shall not be required in order for the Association to pay any such expenses, costs and fees.

6.2 Owner's Negligence. In the event that the need for maintenance, repair or replacement of the Common Elements, or any portion thereof, is caused through or by the negligent or willful act or omission of an Owner, or by any member of an Owner's family, or by an Owner's guests or invitees, then the expenses, costs and fees incurred by the Association for such maintenance, repair or replacement shall be a personal obligation of such Owner; and, if not repaid to the Association within seven days after the Association shall have given notice to the Owner of the total amount, or any portions thereof from time to time, of such expenses, costs and fees, then the failure to so repay shall be a default by the Owner under the provisions of this Section 6.2 and such expenses, costs and fees shall automatically become a default assessment determined and levied against such Condominium Unit and the Association may proceed in accordance with Section 7.11 hereof.

6.3 Delegation of Management Duties. Unless the Association obtains the consent of the Federal National Mortgage Association to the contrary, the Association shall utilize professional management in performing its duties hereunder. Any management agreement entered into by the Association shall be in writing, shall be terminable by the Association upon 30 days' written notice thereof and shall not have a term in excess of one year, which may be renewable by agreement of the parties for successive one-year periods. In addition, the Association may employ independent contractors or such other employees or persons as it deems necessary to carry out the Association's functions hereunder, and may prescribe their duties.

6.4 Acquiring and Disposing of Personal Property. The Association may acquire, own and hold for the use and benefit of all Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be deemed to be owned by the Owners in the same undivided proportion as their respective undivided interests in the Common Elements. Such interests shall not be transferable except with the transfer of a Condominium Unit. A transfer of a Condominium Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property without any reference thereto. Each Owner may use such personal property in accordance with the purposes for which it is intended, without hindering or encroaching upon the lawful rights of other Owners. The transfer of title to a Condominium Unit under foreclosure shall entitle the purchaser to the interest in such personal property associated with the foreclosed Condominium Unit.

6.5 Promulgation of Rules and Regulations. The Association may make reasonable rules and regulations governing the use of the Condominium Units and the Common Elements, which rules and regulations shall be substantially consistent with the rights and duties established in this Declaration. The Association or any aggrieved Owner may take judicial action against any Owner to enforce compliance with such rules and regulations and with the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Association to obtain damages for noncompliance or for injunctive relief, or both, all to the extent permitted by law.

6.6 New Additions to Common Elements. Subject to the other provisions of this Declaration (specifically including Sections 7.2 and 7.7 hereof), the Association shall have the right to construct new additions to the General Common Elements. Ownership of, and the common expenses (including new recreational facilities, costs and fees, if any) for, any such additions to the General Common Elements shall be apportioned among all Condominium Units in proportion to the respective undivided interest in the Common Elements appurtenant thereto as shown in Exhibit B attached hereto, which undivided interests may be modified by annexations to this Declaration pursuant to the provisions of Article XX hereof. Except with respect to any annexations to this Declaration by the Declarant pursuant to the provisions of Article XX hereof, the construction of new additions to the General Common Elements shall not affect an Owner by way of modification of his voting power in the Association.

6.7 Payments to Working Capital Account. In order to provide the Association with adequate working capital funds, the Association shall receive upon the initial sale of each Condominium Unit, an amount equal to two times the monthly installment of the annual assessment (i.e., an amount equal to one-sixth of the annual assessment applicable to the Condominium Unit). This payment to the Association for working capital funds shall only apply to the first sale by Declarant of each Condominium Unit and the

payment shall be in addition to any monthly installments of the annual assessment which may be due at the time of such sale.

6.8 Implied Rights. The Association may exercise any and all other rights or privileges given to it by this Declaration, or by the Articles of Incorporation or By-Laws of the Association, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Notwithstanding any other provision which may be in this Declaration to the contrary, the Association shall not be empowered to do the following, unless it shall have obtained the prior written approval of all First Mortgagees:

6.8.1 By act or omission, seek to abandon or terminate the condominium regime established hereby; or

6.8.2 Partition or subdivide any Condominium Unit; or

6.8.3 By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements; or

6.8.4 Use hazard insurance proceeds for loss to improvements for other than the repair, replacement or reconstruction of such improvements; or

6.8.5 Change the pro rata interest or obligation of any Condominium Unit, or of the Owners thereof, for the purpose of levying assessments or charges hereunder or for the purpose of allocating distributions of hazard insurance or condemnation awards hereunder.

ARTICLE VII

ASSESSMENTS.

7.1 Covenant of Personal Obligation of Assessments. Every Owner, by acceptance of the deed or other instrument of transfer of his Condominium Unit (whether or not it shall be so expressed in such deed or other instrument of transfer), is deemed to personally covenant and agree, jointly and severably, with every other Owner and with the Association, and hereby does so covenant and agree, to pay to the Association the (a) annual assessments, (b) special assessments, and (c) default assessments applicable to his Condominium Unit; such assessments to be established and collected as hereinafter provided. No Owner may waive or otherwise escape personal liability for the payment of the assessments provided for herein by non-use of the Common Elements or the facilities contained therein or by abandonment or leasing of his Condominium Unit. In addition to the foregoing, every Owner shall also have the obligation to pay the estimated prorated amount for hazard insurance premiums applicable to his Condominium Unit, real property ad valorem taxes and special assessments imposed by Colorado governmental subdivisions applicable to his Condominium Unit, as well as all charges for water, sewer, telephone, electricity, gas or other utilities applicable to his Condominium Unit.

7.2 Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of promoting the recreation, health, safety, convenience and general welfare of the Owners, including the improvement and maintenance of the Property and of the services and facilities located thereon. Proper uses of the assessments levied by the Association shall include, but are not limited to, the expenditures of funds for taxes, fees, ex-

penses, charges, levies, premiums, expenditures or other costs of the Association for: (a) repairing, replacing and maintaining the Common Elements; (b) installing, maintaining and repairing roads and underground utilities upon, across, over and under any part of the Project; (c) installing, constructing, maintaining and repairing lighting, walkways, swimming pools, club houses, recreational buildings, parks, playgrounds and related facilities; (d) furnishing garbage and trash pickup and water and sewer services to the Project; (e) providing horticultural services to the Project such as mowing grass, caring for the grounds, the sprinkling system, walks and pathways, and landscaping the trees, shrubs and grass; (f) obtaining and maintaining insurance in accordance with the provisions of Article VIII hereof; (g) painting, repairing, replacing and maintaining roofs, gutters, downspouts, exterior building surfaces and other portions of the Common Elements; (h) establishing and maintaining reserves for repairs, maintenance, taxes, capital improvements and other purposes; (i) carrying out all other powers, rights and duties of the Association and (j) generally for any other purposes and uses that the Association shall determine to be necessary to meet the primary purposes of the Association. In the event that, pursuant to Section 7.2(c), any of the assessments levied by the Association shall be used for constructing any such improvements as set forth therein and if the total amount of assessments used for such construction shall exceed \$5,000 (i.e. the total amount of such assessments for all the Condominium Units as an aggregate, and not \$5,000 per Condominium Unit), then the use of assessments for such construction shall require the approval of all of the Owners of at least 75% of the Condominium Units; provided, however, that the foregoing amount of \$5,000 shall be subject to being increased to a higher amount as more fully set forth in Section 7.17. The use of assessments, pursuant to Section 7.2(c) hereof, for installing or constructing any Common Elements shall not apply to the installation or construction of any Common Elements which are to be installed or constructed by Declarant as a part of its development of the Project.

7.3 Assessment Years. The first assessment year for the levying of the Association's annual assessments shall commence upon the recording of this Declaration in the office of the Clerk and Recorder of Arapahoe County, Colorado and shall continue thereafter until the following 31st of December. Subsequent annual assessment years shall thereafter commence on the first day of January and continue until the following 31st of December.

7.4 Amount of Total Annual Assessments. The annual assessment for each Condominium Unit for the first assessment year shall be the amount of \$41.50 multiplied by the number of months in such first assessment year, plus the estimated prorated amount for hazard insurance premiums and general property taxes appurtenant to each Condominium Unit. Commencing with the second assessment year and thereafter, the total annual assessments against all Condominium Units shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year, which estimates may include, among other things, (a) expenses of management; (b) taxes and special assessments (until the Condominium Units are separately assessed as provided in Section 9.4 hereof); (c) premiums for all insurance which the Association is required or permitted to maintain as provided in Article VIII hereof; (d) common lighting, heating and other utility charges, water charges, trash collection and sewer service charges; (e) repairs and maintenance; (f) wages for Association employees; (g) legal and accounting fees; (h) any deficit remaining from a previous assessment year; (i) the creation of reasonable contingency reserves, surpluses and sinking funds and (j) any other costs, expenses and fees, which may be incurred or may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

7.5 Apportionment of Annual Assessments. The Association's total annual assessment for an assessment year shall initially be apportioned against all Condominium Units at the rate of one/eighty-fourth (1/84th) per Condominium Unit, which rate may be modified by annexations to this Declaration pursuant to the provisions of Article XX hereof. The Owner of each Condominium Unit shall be personally liable for each such assessment which is assessed against his Condominium Unit, and in case of multiple owners of a Condominium Unit, each such Owner shall be jointly and severally liable personally for each such assessment. The total annual assessment shall be apportioned among all Condominium Units as hereinabove provided in this Section 7.5 and shall not be apportioned between General Common Elements and Limited Common Elements.

7.6 Determination of Amount of Annual Assessments. The Board shall determine, levy and assess the Association's annual assessments, which determination, levying and assessing may be made by the Board either with or without the vote of the members of the Association. If the Board shall desire to determine, levy and assess an annual assessment per Condominium Unit for a particular assessment year which shall be in excess of the amount of the annual assessment per Condominium Unit for the assessment year immediately preceding the particular assessment year, then the Board may do so and shall give written notice thereof to all Owners at least 30 days in advance of the commencement date of the particular assessment year and notifying the Owners of such increased annual assessment. If the Board shall not determine, levy and assess the annual assessment for a particular assessment year in accordance with the foregoing sentence, then it will be presumed that the annual assessment per Condominium Unit for that particular assessment year will be the same as the annual assessment per Condominium Unit for the assessment year immediately preceding that particular assessment year.

7.7 Special Assessments. In addition to the annual assessments authorized above, the Association may at any time and from time to time determine, levy and assess in any assessment year, which determination, levying and assessing may be made by the Board with or without the vote of the members of the Association, a special assessment applicable to that particular assessment year (and for any such longer period as the Board may determine) for the purpose of defraying, in whole or in part, the unbudgeted costs, fees and expenses of any construction, reconstruction, repair, demolishing, replacement or maintenance of the Project or of any facilities located thereon, specifically including any fixtures and personal property related thereto. Any amounts determined, levied and assessed pursuant hereto shall be assessed to the Condominium Units in proportion to the respective undivided interests in the Common Elements appurtenant thereto as shown in Exhibit B attached hereto, which undivided interests may be modified by annexations to this Declaration pursuant to the provisions of Article XX hereof. All the Owners of a particular Condominium Unit shall be jointly and severally liable to the Association for the payment of all assessments against his particular Condominium Unit. Notice in writing of the amount of such special assessment per Condominium Unit and of the time for payment thereof shall be given to the Owners, and no payment shall be due less than 30 days after such notice shall have been given. In the event that any of the special assessments levied by the Association pursuant to this Section 7.7 shall be used for the construction of the Project or of any facilities located thereon and if the total amount of special assessments levied for such construction shall exceed \$5,000 (i.e. the total amount of such special assessments for all Condominium Units as an aggregate, and not \$5,000 per Condominium Unit), then the use of special assessments for such construction shall require the approval of all of the Owners of at least 75% of the Condomin-

ium Units; provided, however, that the foregoing amount of \$5,000 shall be subject to being increased to a higher amount as more fully set forth in Section 7.17. The use of assessments, pursuant to this Section 7.7, for constructing any Common Elements shall not apply to the construction of any Common Elements which are to be constructed by Declarant as a part of its development of the Project.

7.8 Due Dates for Assessment Payments. Unless otherwise determined by the Association, the annual assessments, and any special assessments which are to be paid in monthly installments, shall be paid monthly in advance and shall be due and payable to the Association at its office, without notice (except for the notices required by Sections 7.6 and 7.7 hereof), on the first day of each month. If any such monthly installment shall not be paid within 15 days after it shall have become due and payable, then the Board may assess a "late charge" thereon in an amount not exceeding \$10.00 to cover the extra expenses involved in handling such delinquent assessment installment. An Owner's monthly assessments shall be prorated if the ownership of a Condominium Unit commences or terminates on a day other than the first day or last day, respectively, of a month. If the First Mortgagee on any Condominium Unit requires that the Owners thereof make monthly payments into escrow with the First Mortgagee for the estimated hazard insurance premiums and/or general property taxes applicable to such Condominium Unit, then such Owners may make such monthly payments into such escrow reserves, rather than making payment of the same to the Association.

7.9 Exemptions. Subject to the following sentence of this Section 7.9, a Condominium Unit owned by the Declarant shall be exempt from the payment of all annual and special assessments (including monthly installments thereof) until such time as the Condominium Unit is completed, as evidenced by the issuance of a certificate of occupancy by the appropriate governmental authority, and either: (a) conveyed by the Declarant to the first Owners thereof, or (b) leased by the Declarant for the first time. If the annual and special assessments levied by the Association and the payments to the working capital account received by the Association, as set forth in Section 6.7 hereof, shall not be sufficient in amount to allow the Association to reasonably maintain the Common Elements in a good, clean, attractive and sanitary condition, order and repair, then Declarant shall be responsible for the payment of such additional amount or amounts as may be necessary to so maintain the Common Elements; provided, however, that the foregoing shall not be interpreted to require Declarant to establish, or to pay over to the Association to establish, reserves or reserve accounts for such maintenance of the Common Elements; and provided further, however, that the foregoing covenant of Declarant to be responsible for the payment of such additional amount or amounts shall automatically terminate, expire and become null and void at such time as Declarant shall have conveyed 75% of the Condominium Units to the first Owners thereof or December 31, 1981, whichever shall first occur.

7.10 Lien for Assessments. The annual and special assessments (including monthly installments thereof) provided for in this Article VII and any and all default assessments arising under the provisions of Sections 4.3, 6.2, 10.2 or 11.4 hereof (together with any and all interest, costs, late charges, expenses and reasonable attorney's fees which may arise under the provisions of Section 7.11 hereof), shall be burdens running with, and a perpetual lien in favor of the Association upon, the specific Condominium Unit to which such assessments apply. To evidence such lien upon a specific Condominium Unit, the Association may prepare a written lien notice setting forth the description of the Condominium Unit, the amount of assessments thereon which are unpaid as of the date

of such lien notice, the name of the Owner or Owners thereof and any and all other information that the Association may deem proper. The lien notice shall be signed by a member of the Board or by an officer of the Association, and shall be recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado. Any such lien notice shall not constitute a condition precedent nor delay the attachment of the lien but such lien is a perpetual lien upon the Condominium Unit and attaches without notice at the beginning of the first day of any period for which any assessment is levied or assessed.

7.11 Effect of Nonpayment of Assessments. If any annual or special assessment (or any monthly installment thereof) is not fully paid within 30 days after the same becomes due and payable, or if any default assessment shall arise under the provisions of Sections 4.3, 6.2, 10.2 or 11.4 hereof, then in any of such events and as often as the same may happen, interest shall accrue at the rate of 10% per annum from the due date on any amount thereof which was not paid within such 30-day period or on the amount of assessment in default, whichever shall be applicable, and the Association may thereafter bring an action at law or in equity, or both, against any Owner personally obligated to pay the same and may also proceed to foreclose its lien against the particular Condominium Unit in the manner and form provided by Colorado law for foreclosure of real estate mortgages in and through the courts. An action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments (or any monthly installment thereof) may be commenced and pursued by the Association without foreclosing or, in any way, waiving the Association's lien therefor. In the event that any such assessment (or monthly installment thereof) is not fully paid when due and the Association shall commence such an action (or shall counterclaim or cross claim for such relief in any action) against any Owner personally obligated to pay the same or shall proceed to foreclose its lien against the particular Condominium Unit, then all unpaid monthly installments of annual and special assessments and all default assessments (including any such installments or assessments arising during the proceedings of such action or foreclosure proceedings), any late charges under Section 7.8 hereof, any accrued interest under this Section 7.11, the Association's costs, expenses and reasonable attorney's fees incurred for preparing and recording any lien notice and the Association's costs of suit, expenses and reasonable attorney's fees incurred for any such action and/or foreclosure proceedings shall be taxed by the court as a part of the costs of any such action or foreclosure proceedings and shall be recoverable by the Association from any Owner personally obligated to pay the same and from the proceeds from the foreclosure sale of the particular Condominium Unit in satisfaction of the Association's lien. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessments (or monthly installments thereof) which are not fully paid when due or for any subsequent default assessments. The Association shall have the power and right to bid in or purchase any Condominium Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same.

7.12 Successor's Liability for Assessments. Notwithstanding the personal obligation of each Owner of a Condominium Unit to pay all assessments thereon and notwithstanding the Association's perpetual lien upon a Condominium Unit for such assessments, all successors in interest to the fee simple title of a Condominium Unit shall be jointly and severally liable with the prior Owner or Owners thereof for any and all unpaid assessments, interest, late charges, costs, expenses and attorney's fees against

such Condominium Unit, without prejudice to any such successor's right to recover from any prior Owner any amounts paid thereon by such successor; provided, however, that a successor in interest to the fee simple title of a Condominium Unit shall be entitled to rely upon the existence and status, or absence thereof, of unpaid assessments, interest, late charges, costs, expenses and attorney's fees as shown upon any certificate issued by the Association to such named successor in interest pursuant to the provisions of Section 7.14 hereof. The foregoing liability of successors in interest for all unpaid assessments, interest, late charges, costs, expenses and attorney's fees against his Condominium Unit shall not apply to any First Mortgagee or First Mortgagee's nominee who shall, in good faith and not for the primary purpose of circumventing this Section 7.12, acquire the Condominium Unit through a deed in lieu of foreclosure proceedings.

7.13 Subordination of Association's Lien for Assessments. The Association's perpetual lien on a Condominium Unit for assessments shall be superior to the homestead exemption provided by Section 38-41-201, C.R.S. 1973, as amended, and to all other liens and encumbrances except: (a) real property ad valorem tax and special assessment liens duly imposed by a Colorado governmental subdivision, and (b) the lien of any First Mortgage or the lien of any executory land sales contract wherein the Administrator of Veterans Affairs is seller, whether owned by the said Administrator or his assigns, and whether recorded or not, encumbering any Condominium Unit, including any and all advances made by the First Mortgagee or executory land sales contract seller and notwithstanding that any of such advances may have been made subsequent to the date of the attachment of the Association's liens. With respect to the foregoing subpart (b) of this Section 7.13, any First Mortgagee who comes into possession of a Condominium Unit by virtue of foreclosing the First Mortgage or by virtue of a deed or assignment in lieu of such a foreclosure, or any purchaser at a foreclosure sale of the First Mortgage, will take the Condominium Unit free of any claims for unpaid Association assessments, interest, late charges, costs, expenses and attorney's fees against the Condominium Unit which accrue prior to the time such First Mortgagee or purchaser comes into possession of the Condominium Unit, except for claims for a pro-rata share of such assessments resulting from a pro-rata re-allocation of such assessments to all Condominium Units (including the Condominium Unit which is encumbered by the First Mortgage). All other persons obtaining a lien or encumbrance on any Condominium Unit after the recording of this Declaration shall be deemed to consent that any such lien or encumbrance shall be subordinate and inferior to the Association's future liens for assessments, interest, late charges, costs, expenses and attorney's fees, as provided in this Article VII, whether or not such consent be specifically set forth in the instrument creating any such lien or encumbrance. Sale or other transfer of any Condominium Unit shall not affect the Association's lien for assessments, interest, late charges, costs, expenses and attorney's fees due and owing at the time of such sale or other transfer and shall not affect the personal liability of each Owner who shall have been responsible for the payment thereof.

7.14 Certificate of Status of Assessments. Upon request in writing by any person and payment of a reasonable charge therefor, the Association shall furnish within ten days after such request is received, a certificate setting forth: (a) the amount of any unpaid assessments, interest, late charges, costs, expenses and attorney's fees then existing against a particular Condominium Unit, (b) the amount of the current monthly installments of the annual assessment and the date that the next monthly installment is due and payable, (c) the date of the payment of any installments of any special assessments then existing against the Condominium Unit and (d) any other information deemed proper by the Associa-

tion. Upon the issuance of such a certificate signed by a member of the Board or by an officer of the Association, the information contained therein shall be conclusive upon the Association as to the person or persons to whom such certificate is addressed and who rely thereon in good faith.

7.15 Mortgagees May Pay Assessments and Cure Defaults.

If any assessment, or monthly installments thereof, on any Condominium Unit shall not be paid by the Owner thereof within 30 days after the same is due, or if a default by any Owner of any provision of this Declaration shall not be cured within 30 days after written notice thereof is given to such Owner, then the Association shall thereafter send a notice thereof to any First Mortgagee thereof and may (but shall not be required to) send a notice thereof to any other Mortgagee thereof. Any Mortgagee may (but shall not be required to) pay such assessment or monthly installments thereof, together with any other amounts secured by the Association's lien created by this Article VII, and may (but shall not be required to) cure any such default.

7.16 Liens. Except for annual, special and default assessment liens as provided in this Declaration, mechanics' liens, tax liens and judgment liens arising by operation of law and liens arising under Mortgages, there shall be no other liens obtainable against the Common Elements or any interest therein of any Condominium Unit.

7.17 Consumer Price Index. The amount of \$5,000, as set forth in Sections 7.2 and 7.7, which provides the maximum amount of annual or special assessments which may be used each year for the purpose of constructing facilities in the Project without obtaining the approval of all of the Owners of at least 75% of the Condominium Units, shall be increased annually by reference to the Consumer Price Index for urban wage earners and clerical workers (U.S. City Average, All Items, 1967 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (hereinafter referred to as the "C.P.I."). The intent of Sections 7.2 and 7.7 is that the maximum annual limitation applies only to the construction of facilities within the Project and is not intended to apply to the use of annual or special assessments for the purpose of maintaining or repairing facilities. The amount of \$5,000, as set forth in Sections 7.2 and 7.7, shall be increased annually by determining the product of \$5,000 multiplied by the C.P.I. for the month of December of the preceding year, and dividing that product by the C.P.I. for the month in which this Declaration is recorded in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado. As an example only and as a means of illustrating the foregoing, if it is assumed that this Declaration was recorded in July of 1977 when the C.P.I. for that month was 182.6 and if it is assumed that the C.P.I. for the month of December 1979 is 200.0, then the amount of \$5,000, as set forth in Sections 7.2 and 7.7, would be adjusted for the year 1980 as follows: $\$5,000 \times 200.00 \div 182.6 = \$5,476$. Accordingly, it would not be necessary under Sections 7.2 or 7.7 to obtain the approval of all of the Owners of at least 75% of the Condominium Units unless more than \$5,476 of annual assessments or more than \$5,476 of special assessments were used in 1980 for the purpose of constructing facilities in the Project.

ARTICLE VIII

INSURANCE AND FIDELITY BONDS.

8.1 Duty to Obtain and Maintain Insurance. The Association shall obtain and maintain in full force and effect at all times the insurance coverage set forth in Sections 8.2, 8.3, 8.4,

8.6 and 8.7 hereof, which insurance coverage shall be provided by companies duly authorized to do business in the State of Colorado.

8.2 Hazard Insurance. The Association shall obtain from an insurance carrier acceptable to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Administrator of Veterans Affairs hazard insurance on the Project in the form of a "master" or "blanket" policy of property insurance in an amount equal to the full replacement value (i.e. 100% of the current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage) of the Project which shall include all building service equipment and the like and any fixtures or equipment within a Condominium Unit which are normally financed under a First Mortgage. Such master or blanket policy shall include an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent and, if necessary, an "Increased Cost of Construction Endorsement" or "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent. The policy contract and forms for such master or blanket policy shall not provide that contributions or assessments may be made against any First Mortgagee or become a lien on any Condominium Unit superior to the lien of the First Mortgagee. In addition, such master or blanket policy shall afford protection against at least the following:

8.2.1 Loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; and

8.2.2 In the event the Project contains a steam boiler, a broad form policy of repair and replacement boiler and machinery insurance in the amount of at least \$50,000 per accident per location; and

8.2.3 Such other risks as shall customarily be covered with respect to projects similar in construction, location and use to this Project.

8.3 Liability Insurance. The Association shall obtain a comprehensive policy of public liability insurance covering all of the Common Elements and commercial spaces, if any, in the Project. Such comprehensive policy of public liability insurance shall include a "Severability of Interest Endorsement" or equivalent coverage which would preclude the insurance company from denying the claim of any Owner because of the negligent acts of the Association or any other Owner, with such limits as may be considered acceptable by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Administrator of Veterans Affairs (but not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence). Such comprehensive policy of public liability insurance shall also include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others and, if applicable, elevator collision, garage-keeper's liability, host liquor liability and such other risks as shall customarily be covered with respect to projects similar in construction, location and use to this Project.

8.4 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the part of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association. Such fidelity coverage or fidelity bonds shall meet the following requirements:

8.4.1 They shall name the Association as an obligee; and

8.4.2 They shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the Project, including reserves, unless a greater amount is required by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Administrator of Veterans Affairs; and

8.4.3 They shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

8.4.4 They shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Administrator of Veterans Affairs.

8.5 Provisions Common to Hazard Insurance, Liability Insurance and Fidelity Insurance. Any insurance coverage obtained by the Association under the provisions of Sections 8.2, 8.3 and, if applicable, 8.4 hereof shall be subject to the following provisions and limitations:

8.5.1 The named insured under any such policies shall be the Association, as a trustee for the Owners, or its authorized representative, including any trustee with which the Association may enter into any Insurance Trust Agreement, or any successor trustee (each of which is sometimes referred to in this Section 8.5 as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under such policies; and

8.5.2 In no event shall the insurance coverage obtained and maintained pursuant to such Sections be brought into contribution with insurance purchased by the Owners or their Mortgages; and

8.5.3 The policies shall provide that coverage shall not be prejudiced by (a) any act or neglect of the Owners when such act or neglect is not within the control of the Association, or (b) by failure of the Association to comply with any warranty or condition with regard to any portion of the Project over which the Association has no control; and

8.5.4 The policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to any and all insureds named therein, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Administrator of Veterans Affairs; and

8.5.5 The policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association and any Owner and/or their respective agents, employees or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured; and

8.5.6 All policies of property insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu

of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Association may be a party, or any requirement of law.

8.6 Officers' and Directors' Personal Liability Insurance. To the extent obtainable, appropriate officers' and directors' personal liability insurance shall be obtained by the Association to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as such officers and directors in behalf of the Association.

8.7 Workmen's Compensation Insurance. The Association shall obtain workmen's compensation or similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

8.8 Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Association's responsibilities and duties.

8.9 Insurance Premiums. Insurance premiums for the above provided insurance shall be a common expense to be paid by monthly assessments levied by the Association. Subject to the provisions of Section 7.8 hereof, such payments shall be held in a separate trust account of the Association and used solely for the payment of the premiums for insurance hereinabove provided for as such premiums become due.

8.10 Insurance Obtained by Owners. It shall be the responsibility of the Owners, and at their expense, to make arrangements in regard to title insurance on their Condominium Unit, for hazard insurance on their personal property and furnishings, and for public liability insurance covering their Individual Air Space Unit and, in addition, the Owner may obtain such other and additional insurance coverage on and in relation to his Condominium Unit as he in his sole determination shall conclude to be desirable; provided, however, that none of such insurance coverages obtained by an Owner shall affect any insurance coverage obtained by the Association nor cause the diminution or termination thereof. Any such insurance obtained by an Owner shall waive the particular insurance company's right of subrogation against the Association and other Owners.

ARTICLE IX

CONVEYANCES AND TAXATION OF CONDOMINIUM UNITS.

9.1 Contracts to Convey Entered into Prior to Recording of Condominium Map and Declaration. A contract or other agreement for the sale of a Condominium Unit entered into prior to the filing for record of the Condominium Map and this Declaration in the office of the Clerk and Recorder of Arapahoe County, Colorado may legally describe such Condominium Unit in the manner set forth in Section 9.2 hereof and may indicate that the Condominium Map and this Declaration are to be recorded.

9.2 Contracts to Convey and Conveyances Subsequent to Recording of Condominium Map and Declaration. Subsequent to the recording of the Condominium Map and this Declaration, contracts to convey, instruments of conveyance of Condominium Units and every other instrument affecting title to a Condominium Unit may describe that Condominium Unit as follows:

Condominium Unit _____ in Condominium Building _____, the APPLETREE CONDOMINIUMS, Arapahoe County, Colorado, according to the Condominium Map for the Appletree Condominiums, recorded _____, 19____ in Book _____ at Page _____ in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado, and as defined and described in the Condominium Declaration for the Appletree Condominiums recorded _____, 19____ in Book _____ at Page _____ in said records.

9.3 Deemed to Describe an Undivided Interest in Common Elements. Every instrument of conveyance, mortgage, deed of trust or other instrument affecting the title to a Condominium Unit which legally describes said Condominium Unit in the manner set forth in Section 9.2 hereof shall be construed to describe the Individual Air Space Unit, together with the undivided interest in the Common Elements appurtenant thereto, together with all fixtures and improvements therein contained (unless any thereof shall be Common Elements), and to incorporate all the rights incident to ownership of a Condominium Unit and all the limitations of ownership as described in the covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions contained in this Declaration, subject to any other provisions which may be set forth in such instrument.

9.4 Taxation. Each Condominium Unit shall be assessed separately for all taxes, assessments and other charges of the State of Colorado or of any political subdivision or of any special improvement district or of any other taxing or assessing authority in accordance with the Condominium Ownership Act of the State of Colorado. For the purpose of such assessments, the valuation of the Common Elements shall be apportioned among the Condominium Units in proportion to the undivided interest in Common Elements appurtenant thereto. The Association shall furnish to the Tax Assessor of Arapahoe County, Colorado and to all other appropriate persons and authorities all necessary information with respect to such apportionment. No forfeiture or sale of any Condominium Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Condominium Unit.

ARTICLE X

MECHANIC'S LIENS.

10.1 Mechanic's Liens. No labor performed or materials furnished for use and incorporated in any Condominium Unit with the consent of or at the request of the Owner thereof or his agent or his contractor or subcontractor shall be the basis for the filing of a lien against a Condominium Unit of any other Owner not expressly consenting to or requesting the same, or against any interest in the Common Elements except as to the undivided interest therein appurtenant to the Individual Air Space Unit of the Owner for whom such labor shall have been performed or such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against any liability or loss arising from the claim of any mechanic's lien against the Condominium Unit or against the Common Elements, or any part thereof, of any other Owner for labor performed or for materials furnished in work on the first Owner's Condominium Unit.

10.2 Enforcement by the Association. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is proper) the Association shall enforce the indemnity provided by

the provisions of Section 10.1 hereof 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 mechanic's lien, including all costs and reasonable attorney's fees incidental thereto, and obtain a discharge of such lien. In the event that the Owner of the Condominium Unit on which the labor was performed or materials furnished refuses or fails to so indemnify within seven days after the Association shall have given notice to such Owner of the total amount, or any portions thereof from time to time, of the amount to be indemnified, then the failure to so indemnify shall be a default by such Owner under the provisions of this Section 10.2 and such amount to be indemnified shall automatically become a default assessment determined and levied against such Condominium Unit and the Association may proceed in accordance with Section 7.11 hereof.

ARTICLE XI

USE RESTRICTIONS.

11.1 Compliance with Zoning. All Condominium Units shall be used for residential purposes only and shall not be used for any business, manufacturing or commercial purpose whatsoever; provided, however, if the appropriate zoning so allows and if prior written approval of the Association is obtained, an Owner may use a specifically designated portion of his Condominium Unit as a home business office, which approval may thereafter be withdrawn or terminated by the Association at any time.

11.2 Conveyance of Condominium Units. All Condominium Units, whether or not the instrument of conveyance or assignment shall refer to this Declaration, shall be subject to the covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions contained in this Declaration, as it may be amended from time to time.

11.3 Use of Common Elements. There shall be no obstruction of the Common Elements, nor shall anything be kept or stored on any part of the Common Elements without the prior written approval of the Association. Nothing shall be altered on, constructed in or removed from the Common Elements without the prior written approval of the Association.

11.4 Prohibition of Increases in Insurable Risks and Certain Activities. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements, or any part thereof, which would result in the cancellation of the insurance on the Project, or any part thereof, or increase in the rate of the insurance on the Project, or any part thereof, over what the Association, but for such activity, would pay, without the prior written approval of the Association. Nothing shall be done or kept in any Condominium Unit or in or on the Common Elements, or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit or other imposed requirement of any governmental body. No damage to, or waste of, the Common Elements or any part thereof shall be committed by any Owner, or by any member of the Owner's family, or by any guest, invitee or contract purchaser of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him, the members of his family or his guests, invitees or contract purchasers. At its own initiative or upon the written request of any Owner (and if the Association determines that further action by the Association is proper) the Association shall enforce the foregoing indemnity in the same manner as provided in Section 10.2

hereof with respect to an Owner's indemnity against mechanic's liens.

11.5 Structural Alterations. No structural alterations to any Condominium Unit or any Common Element shall be done by any Owner without the prior written approval of the Association. ✓

11.6 Maintenance of Interiors. Each Owner shall keep the interior of his Condominium Unit, including, without limitation, interior walls, windows, glass, ceilings, floors and permanent fixtures and appurtenances thereto, in a clean, sanitary and attractive condition, and in a good state of repair.

11.7 Rules and Regulations. No Owner shall violate the rules and regulations, as adopted from time to time by the Association, for the use of the Condominium Units and the Common Elements. ✓

11.8 Household Pets. No animals, livestock, poultry or bees of any kind shall be raised, bred, kept or boarded in the Project; provided, however, that dogs, cats or other household pets may be kept in any Condominium Unit so long as they are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to other Owners. Notwithstanding the foregoing, the Association shall have, and is hereby given, the right and authority to determine in its sole discretion that dogs, cats or other household pets are being kept for commercial purposes or are being kept in such number or in such manner as to create a nuisance to other Owners or that an Owner is otherwise in violation of the provisions of this Section 11.8, and to take such action or actions as may be necessary to correct the same. In furtherance of the purposes of the foregoing provisions of this Section 11.8, if more than one dog, cat or other household pet is kept in any Condominium Unit then it shall be conclusively presumed that the same is being kept in such number as to create a nuisance to other Owners and the Association shall have the authority to require the Owner of such Condominium Unit to remove any and all excess dogs, cats or other household pets or to otherwise correct or remove such nuisance kept in such Condominium Unit.

11.9 Signs and Advertising. No signs, advertising, billboards, unsightly objects or nuisances shall be placed, erected or permitted to remain in or on any Condominium Unit, nor shall any Condominium Unit be used in any way or for any purpose which may endanger the health, safety or life of any person or which may unreasonably disturb the other Owners. The foregoing provisions of this Section 11.9 shall not apply to any signs, advertising or billboards of the Declarant in connection with its sale or rental of Condominium Units or otherwise in connection with its development of the Project, nor shall such provisions apply to the Association.

11.10 Antennas. Without prior written approval of the Association, no exterior television, radio or other communication antennas or aerials of any type shall be placed, allowed or maintained upon any portion of the Project.

11.11 Commercial Vehicles. No commercial vehicles and no trucks shall be parked on any road within the Project except while temporarily engaged in transport to or from a Condominium Unit. For the purposes of this Section 11.11, a 3/4-ton or smaller vehicle, commonly known as a pickup truck, shall not be deemed to be a commercial vehicle or truck.

11.12 Nuisances. No noxious or offensive activity shall be carried on upon any part of the Project, nor shall anything be

done thereon which may be, or may become, an annoyance or nuisance to any other Owner.

11.13 Unused Vehicles. No unused vehicles shall be stored or parked upon any part of the Project, including any residential street, alley or way of access within the Project. In the event that the Association shall determine that a vehicle is an unused vehicle, then a written notice describing the unused vehicle will be personally delivered to the owner thereof (if such owner can be reasonably ascertained) or will be conspicuously placed upon the unused vehicle (if the owner thereof cannot be reasonably ascertained), and if the unused vehicle is not removed within 72 hours thereafter, the Association shall have the right to remove the unused vehicle at the sole expense of the owner thereof. For the purposes of this Section 11.13, an "unused vehicle" is any automobile, truck, motorcycle, motor bike, boat, trailer, camper, housetrailer or other similar vehicle which has not been driven under its own propulsion or has not been moved for a period of one week or longer.

11.14 Declarant's Use. Notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible and proper for Declarant and Declarant's employees, agents, independent contractors, successors and assigns involved in the construction of Condominium Buildings or Condominium Units or in the development of the Project, to perform such activities and to maintain upon such portions of the Project as Declarant deems necessary such facilities as in the sole opinion of Declarant may be reasonably required, convenient, necessary or incidental to the construction and sale of Condominium Units and to the development of the Project, specifically including without limiting the generality of the foregoing, maintaining business offices, storage areas, construction yards and equipment, signs, model units and sales offices; provided, however, that neither the Declarant, the Declarant's employees, agents, independent contractors, successors or assigns nor any of them shall perform any activity or maintain any facility on any portion of the Project in such a way as to unreasonably interfere with or disturb any purchaser or Owner of a Condominium Unit, or to unreasonably interfere with the use, enjoyment or access of such Owner, his family members, his guests or invitees of and to his Condominium Unit, his parking areas, any recreational facility existing upon the Common Elements and to a public way.

11.15 Leasing of Condominium Units. The Owner of a Condominium Unit shall have the right to lease his Condominium Unit under the following conditions: (a) no Owner may lease less than his entire Condominium Unit, (b) all leases shall be in writing, (c) all leases shall provide that the terms of the lease, and lessee's occupancy of the Condominium Unit, shall be subject in all respects to the provisions of this Declaration and to the provisions of the Articles of Incorporation and By-Laws of the Association and that any failure by the lessee to comply therewith shall be a default under the lease and (d) except for a First Mortgagee in possession of a Condominium Unit following a default in the First Mortgage or in connection with foreclosure proceedings or any deed or other arrangement in lieu of foreclosure proceedings by such a First Mortgagee, no Owner may lease his Condominium Unit for transient or hotel purposes.

ARTICLE XII

EASEMENTS.

12.1 Recorded Easements. The Property, and all portions thereof, shall be subject to the easements as shown on any

recorded plat affecting the Property, or any portion thereof, and as shown on the recorded Condominium Map.

12.2 Easements for Encroachments. The Project, and all portions thereof, shall be subject to an easement for encroachments created by construction and overhangs as designed or constructed by the Declarant and for settling, shifting and movement of any portion of the Project. A valid easement for said encroachments and for the maintenance thereof shall exist. In the event that a Condominium Building or Condominium Unit is partially or totally destroyed, and then rebuilt, the Owners of the Condominium Units so rebuilt hereby agree that minor encroachments of the rebuilt Individual Air Space Units upon the Individual Air Space Units of other rebuilt Condominium Units, and all Owners and the Association agree that minor encroachments of the rebuilt Condominium Building or Individual Air Space Units upon the Common Elements, shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Project. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any Condominium Building or Condominium Unit constructed on the Property, by error in the Condominium Map, by settling, rising or shifting of the earth or by changes in position caused by repair or reconstruction of any part of the Project.

12.3 Utility Easements. There is hereby created a general easement upon, across, over, in and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephone, electrical and a master television antenna system. By virtue of this easement, it shall be expressly permissible and proper for the companies providing electrical and telephone services to erect and maintain the necessary poles and other necessary equipment on the Property and to affix and maintain electrical and telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Condominium Buildings and the Other Buildings. Notwithstanding anything to the contrary contained in this Section 12.3, no water, sewer, gas, telephone, electrical or antenna lines, systems or facilities may be installed or relocated on the Property except as initially approved by Declarant during the development of the Project, or thereafter as approved by the Association. Should any utility company furnishing a service covered by the general easement herein created request a specific easement by separate recordable document, Declarant shall have, and is hereby given, the right and authority to grant such easement upon, across, over or under any part or all of the Property without conflicting with the terms hereof; provided, however, that such power shall cease and determine at the end of the construction and sales period. The easement provided for in this Section 12.3 shall in no way affect, avoid, extinguish or modify any other recorded easement on the Property.

12.4 Underground Electrical Service Easement. In addition to the easement created in Section 12.3 hereof, the utility company furnishing the electrical service to the Project shall have and is hereby granted a two-foot wide easement along and centered on the underground electric power service conductors to the designated point of service on the Condominium Buildings and Other Buildings. The foregoing easement for the underground electrical service may be crossed by streets, driveways and walkways. Such easement for the underground electrical service shall be kept clear of all other improvements, including buildings, patios or other pavings (other than crossing walkways, streets or driveways).

12.5 Emergency Easement. A general easement is hereby granted to all police, sheriff, fire protection, ambulance and all

other similar emergency agencies or persons to enter upon all streets and upon the Property in the proper performance of their duties.

12.6 Maintenance Easement. An easement is hereby granted to the Association, its officers, agents, employees and assigns upon, across, over, in and under the Common Elements and a right to make such use of the Common Elements as may be necessary or appropriate to perform the duties and functions which it is obligated or permitted to perform pursuant to this Declaration, including the right to construct and maintain on the Common Elements maintenance and storage facilities for use by the Association.

12.7 Drainage Easement. An easement is hereby granted to the Association, its officers, agents, employees, successors and assigns to enter upon, across, over, in and under any portion of the Property for the purpose of changing, correcting or otherwise modifying the grade or drainage channels of the Property so as to improve the drainage of water on the Property.

12.8 Easements of Access for Repair, Maintenance and Emergencies. Some of the Common Elements are or may be located within the Individual Air Space Units or may be conveniently accessible only through the Individual Air Space Units. The Owners of other Individual Air Space Units shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Individual Air Space Unit and to all Common Elements from time to time during such reasonable hours as may be necessary for the maintenance, repair, removal 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 any Individual Air Space Unit. The Association shall also have such right independent of any agency relationship. Subject to the provisions of Section 6.2 hereof, damage to the interior of any part of an Individual Air Space Unit resulting from the maintenance, repair, emergency repair, removal or replacement of any of the Common Elements or as a result of emergency repairs within another Individual Air Space Unit at the instance of the Association or of Owners shall be an expense of all the Owners.

12.9 Declarant's Rights Incident to Construction. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Elements and the Property and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the complete construction of the Project; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access by any Condominium Unit Owner, his family members, guests or invitees to or of his Condominium Unit or any recreation facility completed upon the General Common Elements.

12.10 Easements Deemed Created. All conveyances of Condominium Units hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve the easements contained in this Article XII, even though no specific reference to such easements or to this Article XII appears in the instrument for such conveyance.

ARTICLE XIII

ASSOCIATION AS ATTORNEY-IN-FACT.

13.1 Appointment. Each and every Owner hereby irrevocably constitutes and appoints the Association as his, its and

their true and lawful attorney-in-fact in his, its and their name, place and stead for the purpose of dealing with the Project upon its damage, destruction or obsolescence as hereinafter provided in Articles XIV and XV. Acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact as herein provided.

13.2 General Authority. As attorney-in-fact, the Association shall have full and complete authorization, right and power to make, execute and deliver any contract, assignment, deed, waiver or other instrument with respect to the interest of any Owner which may be necessary or appropriate to exercise the powers granted to the Association as attorney-in-fact.

ARTICLE XIV

DAMAGE OR DESTRUCTION.

14.1 Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the Project, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Project so damaged or destroyed. "Repair and reconstruction" as used in this Article XIV shall mean restoring the damaged or destroyed part of the Project to substantially the same condition in which it existed prior to the damage or destruction, with each Individual Air Space Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

14.2 Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the part of the Project damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction and no consent or other action by any Owner shall be necessary in connection therewith.

14.3 Funds for Repair and Reconstruction. Subject to the provisions of Sections 8.2 and 8.5 hereof, the proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Section 7.7 hereof, levy, assess and collect in advance from all Owners a special assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

14.4 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the special assessments provided for in Section 14.3 hereof, constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the special assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made pursuant to the special assessments the Association made under Section 14.3 hereof.

14.5 Decision Not to Rebuild. If: (a) all the Owners of two-thirds or more of the Condominium Units, and (b) all the First Mortgagees on all Condominium Units agree not to repair and reconstruct, as provided in this Article XIV, then the Project shall be sold and the sales proceeds and any insurance proceeds distributed in the same manner as hereinafter provided in Article XV for the sale of obsolete Condominium Units.

14.6 Notice of Loss to First Mortgagees. Provided that a First Mortgagee has, in writing, requested the following information with respect to a Condominium Unit upon which the First Mortgagee holds the First Mortgage and has furnished the Association with the address to which the First Mortgagee wants the information sent, then in the event that there shall be any damage or destruction to, or loss or taking of: (a) such Condominium Unit which shall be in excess of \$1,000.00, notice of such damage, loss or taking shall be given by the Association to such First Mortgagee, and (b) the Common Elements which shall be in excess of \$10,000.00, then notice of such damage, loss or taking shall be given by the Association to such First Mortgagee.

ARTICLE XV

OBSOLESCENCE.

15.1 Adoption of Plan. All the Owners of the Condominium Units may agree that the Project is obsolete and adopt a written plan for the renewal and reconstruction thereof, which plan must have the unanimous approval of all First Mortgagees on all Condominium Units at the time of the adoption of such plan. Written notice of the adoption of such a plan shall be given to all Owners and a copy of such plan shall be recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado.

15.2 Sale of Obsolete Units. All the Owners of the Condominium Units may agree that the Condominium Units are obsolete and that the Project should be sold. Such an agreement must have the unanimous approval of all the First Mortgagees on all Condominium Units at the time such agreement is made. In such instance the Association shall forthwith record in the office of the Clerk and Recorder of Arapahoe County, Colorado a notice setting forth such fact or facts, and upon the recording of such notice by the Association the 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 Condominium Map and the Articles of Incorporation and By-Laws of the Association. Unless otherwise agreed in writing by all the Owners and First Mortgagees, the sale proceeds (and any insurance proceeds under Section 14.5) shall be apportioned among the Owners in proportion to each Owner's undivided interest in the Common Elements and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit designation and the name of the Owner. From each separate account the Association, as attorney-in-fact, shall use and disburse the total amount of such accounts, without contribution from one account to another, as follows: (a) for payment of real property ad valorem taxes, special assessment liens duly imposed by a governmental subdivision and customary expenses of sale; (b) for payment of the balance of the lien of any First Mortgage; (c) for payment of unpaid Association assessments, interest, costs, late charges, expenses and attorney's fees; (d) for payment of junior mortgages in the order of and to the extent of their priority; and (e) the balance remaining, if any, shall be paid to the Owner of the Condominium Unit.

ARTICLE XVICONDEMNATION.

16.1 Consequences of Condemnation. If at any time or times during the continuance of the Project pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu thereof or in avoidance thereof, then all compensation, damages or other proceeds therefrom, the sum of which is hereinafter referred to as the "Condemnation Award", shall be payable to the Association and the provisions of this Article XVI shall apply.

16.2 Complete Taking. In the event that the entire Project is taken or condemned or sold or otherwise disposed of in lieu thereof or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the Owners on the basis of each Owner's undivided interest in the Common Elements; provided, however, 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 apportionment the same standard shall be employed. The Association shall, as soon as practical, determine the share of the Condemnation Award to which each Owner is entitled and such shares shall be paid into separate accounts and disbursed as soon as practical for the same purposes and in the same order as is provided in Section 15.2(a) through 15.2(e) hereof.

16.3 Partial Taking. In the event that less than the entire Project is taken or condemned or sold or otherwise disposed of in lieu thereof 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 under the following provisions. As soon as practical the Association shall reasonably and in good faith allocate the Condemnation Award between compensation, damages or other proceeds, and shall apportion the amounts so allocated among the Owners, as follows: (a) the total amount allocated to taking of or injury to the Common Elements shall be apportioned among Owners on the basis of each Owner's undivided interest in the Common Elements; (b) the total amount allocated to severance damages shall be apportioned to the Owners of those Condominium Units which were not taken or condemned; (c) the respective amounts allocated to the taking of or injury to a particular Condominium Unit or to improvements an Owner has made within his own Condominium Unit shall be apportioned to the Owner of that particular Condominium Unit involved; and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under 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. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective First Mortgagees.

16.4 Reorganization. In the event a partial taking results in the taking of an Individual Air Space Unit, the Owners thereof shall automatically cease to be members of the Association and their ownership interests in the Common Elements shall terminate and vest in the Owners of the remaining Condominium Units. Thereafter, the Association shall reallocate the ownership, voting rights and assessment ratios 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 the remaining Individual Air Space Units for the amendment of this Declaration.

16.5 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article XIV hereof.

16.6 Notice of Condemnation to First Mortgagees. Provided that an Owner or First Mortgagee has, in writing, requested the following information and has furnished the Association with the address to which the Owner or First Mortgagee wants the information sent, then in the event that any portion of the Project shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, timely written notice of such condemnation shall be given by the Association to each such Owner or First Mortgagee.

ARTICLE XVII

BURDENS AND BENEFITS OF DECLARATION.

17.1 Covenants Running With Property. The benefits, burdens and other provisions contained in this Declaration shall be covenants running with and binding upon the Property.

17.2 Binding Upon and Inure to Successors. The benefits, burdens and other provisions contained in this Declaration shall be binding upon, and inure to the benefit of, the Declarant, the Association and all Owners and upon and to their respective heirs, executors, administrators, personal representatives, successors and assigns. Any right or any interest reserved or contained in this Declaration to or for the benefit of the Declarant may be transferred or assigned by the Declarant, either separately or with one or more of such rights or interests, to any person, corporation, partnership, association or other entity.

ARTICLE XVIII

AMENDMENT OF DECLARATION.

18.1 Amendment. The provisions of this Declaration may be amended or terminated, in whole or in part, at any time and from time to time, by an instrument (which instrument may be executed in identical counterparts, in which event all of such counterparts shall be taken as one and the same instrument of amendment) approved as follows:

18.1.1 If Declarant has not conveyed all Condominium Units to the first private Condominium Unit Owners thereof, then any amendment to or termination of this Declaration will require the prior written approval of the Declarant, all other Owners and all First Mortgagees.

18.1.2 Following the sale by Declarant of all Condominium Units to the first private Condominium Unit Owners thereof, then any amendment to or termination of this Declaration will require the prior written approval of the private Condominium Unit Owners owning not less than 75% of the sold Condominium Units and of the First Mortgagees owning First Mortgages on not less than 75% of the mortgaged Condominium Units; provided, however that any such action (a) terminating this Declaration in full or terminating the condominium regime established hereby or (b) changing the undivided interests in the Common Elements as shown in Exhibit B attached hereto shall require the prior written approval of all First Mortgagees.

18.1.3 The foregoing approvals required by Sections 18.1.1 and 18.1.2 hereof shall not be required for, and with respect to, any annexations to this Declaration by the Declarant pursuant to the provisions of Article XX hereof.

18.2 Recording of Amendments. To be effective, all amendments to or termination of this Declaration must be recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado and must contain evidence of approval thereof showing the acknowledged and notarized signatures of all the necessary approving parties.

ARTICLE XIX

VETERANS ADMINISTRATION APPROVAL REQUIRED DURING DEVELOPMENT OF THE PROJECT.

19.1 Amendments, Dissolutions, Mergers, Deductions, Etc. So long as Declarant, or any successor or assign of Declarant who becomes such for the purpose of developing the Project, owns or controls 25% or more of the Condominium Units or owns or controls 25% or more of the Property, then the prior approval of the Veterans Administration shall be required for the following:

19.1.1 Amendment of this Declaration;

19.1.2 Amendment of the Articles of Incorporation or By-Laws of the Association;

19.1.3 Annexation of additional properties to this Declaration;

19.1.4 Dedication or mortgaging of all or any part of the Common Elements by the Declarant; or

19.1.5 Merger, consolidation or dissolution of the Association.

19.2 Management Contracts. So long as Declarant, or any successor or assign of Declarant who becomes such for the purpose of developing the Project, controls the Association, any management contract made between the Association and a manager or managing agent shall terminate absolutely, and in any event, not later than 30 days after the termination of control by the Declarant or such successor or assign. All such management contracts made between the Association and a manager or managing agent during such period shall be subject to review and approval by the Veterans Administration. The provisions of this Section 19.2 shall be contained verbatim in any such management contract during such period.

ARTICLE XX

ANNEXATIONS!

20.1 Annexations by the Declarant. Subject only to the prior written approval of the Veterans Administration as set forth in Section 19.1.3 hereof, the Declarant shall have and hereby specifically reserves the right until December 31, 1981 to annex from time to time any portion or portions of the following-described additional property to the Property and to subject such additional property to the terms and provisions of this Declaration: Southeast one-quarter of Section 22, Township 5 South, Range 67 West of the Sixth Principal Meridian, Arapahoe County, Colorado.

20.2 Condominium Map for Annexation. For any annexation by the Declarant pursuant to the provisions of this Article XX, the Declarant shall cause an additional condominium map of such annexed property to be prepared and filed in the records of the office of the Clerk and Recorder of Arapahoe County, Colorado prior to the conveyance of the first Condominium Unit in such annexation and such additional condominium map may be filed as a supplement to the Condominium Map.

20.3 Modification of Undivided Interests. Upon the Declarant's annexation of an additional property to this Declaration and the filing of the supplemental condominium map thereof, the undivided interest in the Common Elements (including all Common Elements located on the Property described in Exhibit A 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 one and the denominator of which shall be the total number of all Condominium Units then subject to this Declaration, 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. Such reduction of undivided interest in the Common Elements appurtenant to a Condominium Unit shall be automatic and no further documentation need be filed of record or further action need be taken by the Declarant, any Owner or any Mortgagee to reflect such modification in undivided interests. The maximum number of additional Condominium Units which may be contained in properties annexed to this Declaration shall not exceed 72 and, accordingly, the minimum undivided interest in Common Elements appurtenant to a Condominium Unit shall be 1/156th. As an example only and as a means of illustrating the foregoing modifications of undivided interests, if the number of Condominium Units initially subject to this Declaration are 84 and if the Declarant shall file a supplemental condominium map for the annexation of additional property to this Declaration containing 36 Condominium Units, then the undivided interest in the Common Elements appurtenant to each of the 84 Condominium Units enumerated in Exhibit B attached hereto shall automatically be reduced from 1/84th to 1/120th and the undivided interest in Common Elements appurtenant to each of the 36 Condominium Units in such annexed property shall also be 1/120th; and if the Declarant shall thereafter record a second supplemental condominium map for the annexation of additional property to this Declaration containing 36 Condominium Units, then the undivided interest in the Common Elements appurtenant to each of the 84 Condominium Units enumerated on Exhibit B attached hereto and to each of the 36 Condominium Units contained in the first annexation shall automatically be reduced from 1/120th to 1/156th and the undivided interest in the Common Elements appurtenant to each of the 36 Condominium Units in the second annexed property shall also be 1/156th.

20.4 New Additions of General and Limited Common Elements. Annexations to this Declaration pursuant to this Article XX will contain new additions to the General and Limited Common Elements, which additions may contain any or all of the types of General and Limited Common Elements described in Sections 1.10, 1.11 and 1.12 hereof. Notwithstanding any such annexation, each Owner (regardless of whether such Owner is the owner of a Condominium Unit enumerated on Exhibit B attached hereto or is owner of a Condominium Unit contained in an annexation) shall remain fully liable in accordance with Article VII 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.

ARTICLE XXI

MISCELLANEOUS.

21.1 Period of Condominium Ownership. The condominium ownership created by this Declaration and the Condominium Map shall continue until this Declaration is terminated in the manner provided in Article XVIII hereof.

21.2 Supplement to Condominium Ownership Act. The provisions of this Declaration shall be in addition to and supplemental to the Condominium Ownership Act of the State of Colorado, as it may be amended from time to time, and to all other provisions of law.

21.3 Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way and other provisions contained in this Declaration shall be by any proceedings at law or in equity against any person or persons violating or attempting to violate such provisions to enjoin or restrain such violation or attempted violation or to recover damages.

21.4 Non-Waiver. Failure by the Declarant, the Association or any Owner or First Mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

21.5 Severability. The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.

21.6 Number and Gender. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

21.7 Captions. The captions to the Articles and Sections and the Table of Contents at the beginning of this Declaration are inserted herein only as a matter of convenience and for reference and are in no way to be construed to define, limit or otherwise describe the scope of this Declaration nor the intent of any provision hereof.

21.8 Conflicts in Legal Documents. In case of conflicts between the provisions in this Declaration and the Articles of Incorporation of the Association and the By-Laws of the Association, this Declaration shall control. In case of conflicts in the provisions in the Articles of Incorporation of the Association and the By-Laws of the Association, the Articles of Incorporation shall control.

IN WITNESS WHEREOF, Alpert Corporation has caused its corporate name to be hereunto subscribed by its President, and its corporate seal to be hereunto affixed, attested by its Secretary, the day and year first above written.



Theodore J. Alpert
Theodore J. Alpert, Secretary

ALPERT CORPORATION,
a Colorado corporation

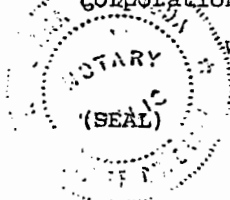
By *Harvey B. Alpert*
Harvey B. Alpert, President

STATE OF COLORADO
COUNTY OF ARAPAHOE

)
) ss.
)

BOOK 2704 PAGE 723

The foregoing instrument was acknowledged before me this
27th day of December, 1977 by Harvey B. Alpert as President and
Theodore J. Alpert as Secretary of ALPERT CORPORATION, a Colorado
Corporation.



Witness my hand and official seal.

Diana C. Zmuda
Notary Public

My commission expires:

May 1st, 1978

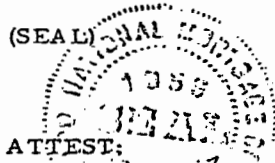
APPROVAL

BOOK 2704 PAGE 724

Colorado National Mortgage Company hereby approves, ratifies and consents to the attached Condominium Declaration for the Appletree Condominiums.

IN WITNESS WHEREOF, the said Colorado National Mortgage Company has caused its corporate name to be hereunto subscribed by its President and its corporate seal to be hereunto affixed, attested by its Assistant Vice President, this 27th day of December, 1977.

COLORADO NATIONAL MORTGAGE COMPANY



ATTEST:

Dolores Maron
Dolores Maron, Assistant Vice President

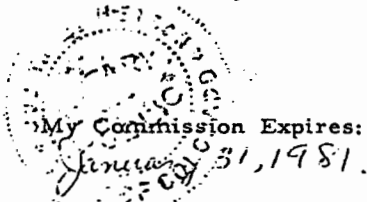
By:

Thomas J. Coughlin
Thomas J. Coughlin, President

STATE OF COLORADO)
City and County of Denver)

The foregoing instrument was acknowledged before me this 27 day of December 1977, by Thomas J. Coughlin, as President and Dolores Maron as Assistant Vice President of Colorado National Mortgage Company.

Witness my hand and official seal.



Judith M. Nelson

VETERANS ADMINISTRATION hereby approves, ratifies and consents to the attached Condominium Declaration for the Appletree Condominiums.

IN WITNESS WHEREOF, the said Veterans Administration has caused its name to be hereunto subscribed by its Assistant Loan Guaranty Officer this 30th day of December, 1977.

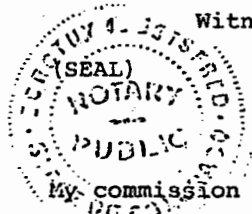
VETERANS ADMINISTRATION

By: John J. McCormick
Title: Assistant Loan Guaranty Officer

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 30th day of December, 1977, by John J. McCormick as Assistant Loan Guaranty Officer of the Veterans Administration.

Witness my hand and official seal.



My commission expires:
March 23, 1981

Dorothy J. Getsfred
Notary Public
Dorothy J. Getsfred

TO

CONDOMINIUM DECLARATION FOR THE APPLETREE CONDOMINIUMS

A tract of land in the Southeast one-quarter of Section 22, Township 5 South, Range 67 West of the Sixth Principal Meridian, Arapahoe County, Colorado being a portion of Lot 1, Block 1, Cherry Creek Farm, Filing No. Three and described as follows:

Commencing at a point on the East right-of-way line of South Dayton St., which is also the Southwest corner of Cherry Creek Farm, Filing No. One, which is a plat of record in the said SE $\frac{1}{4}$ of Section 22; thence S 00° 00' 14" W and along said right-of-way line a distance of 305.56 feet to the true point of beginning; thence continuing along said right-of-way line a distance of 370.25 feet; thence S 89° 59' 46" E a distance of 15.00 feet; thence along a curve to the right having a radius of 562.00 feet and a central angle of 49° 51' 32" an arc distance of 489.05 feet; thence N 49° 51' 46" E a distance of 76.00 feet; thence N 6° 57' 06" W a distance of 437.97 feet; thence S 86° 14' 24" W a distance of 27.34 feet; thence N 3° 45' 36" W a distance of 128.00 feet; thence S 86° 14' 24" W a distance of 70.00 feet; thence S 3° 45' 36" E a distance of 22.52 feet; thence S 86° 14' 24" W a distance of 40.51 feet; thence N 63° 29' 46" W a distance of 62.82 feet; thence S 75° 00' 14" W a distance of 35.63 feet; thence S 00° 00' 14" W a distance of 35.00 feet; thence S 77° 30' 14" W a distance of 65.00 feet; thence N 12° 29' 46" W a distance of 52.50 feet; thence S 77° 30' 14" W a distance of 143.16 feet to the true point of beginning.

EXHIBIT BTOCONDOMINIUM DECLARATION FOR THE APPLETREE CONDOMINIUMS

<u>Condominium Unit No.</u>	<u>Condominium Building</u>	<u>Undivided Interest In Common Elements Appurtenant to the Condominium Unit*</u>
1	A	1/84
2	A	1/84
3	A	1/84
4	A	1/84
5	A	1/84
6	A	1/84
7	A	1/84
8	A	1/84
9	A	1/84
10	A	1/84
11	A	1/84
12	A	1/84
1	B	1/84
2	B	1/84
3	B	1/84
4	B	1/84
5	B	1/84
6	B	1/84
7	B	1/84
8	B	1/84
9	B	1/84
10	B	1/84
11	B	1/84
12	B	1/84
1	C	1/84
2	C	1/84
3	C	1/84
4	C	1/84
5	C	1/84
6	C	1/84
7	C	1/84
8	C	1/84
9	C	1/84
10	C	1/84
11	C	1/84
12	C	1/84
1	D	1/84
2	D	1/84
3	D	1/84
4	D	1/84
5	D	1/84
6	D	1/84
7	D	1/84
8	D	1/84
9	D	1/84
10	D	1/84
11	D	1/84
12	D	1/84

<u>Condominium Unit No.</u>	<u>Condominium Building</u>	<u>Undivided Interest In Common Elements Appurtenant to the Condominium Unit*</u>
1	E	1/84
2	E	1/84
3	E	1/84
4	E	1/84
5	E	1/84
6	E	1/84
7	E	1/84
8	E	1/84
9	E	1/84
10	E	1/84
11	E	1/84
12	E	1/84
1	F	1/84
2	F	1/84
3	F	1/84
4	F	1/84
5	F	1/84
6	F	1/84
7	F	1/84
8	F	1/84
9	F	1/84
10	F	1/84
11	F	1/84
12	F	1/84
1	G	1/84
2	G	1/84
3	G	1/84
4	G	1/84
5	G	1/84
6	G	1/84
7	G	1/84
8	G	1/84
9	G	1/84
10	G	1/84
11	G	1/84
12	G	1/84

*The undivided interest in Common Elements appurtenant to a Condominium Unit is subject to being modified by annexations to this Declaration pursuant to the provisions of Article XX.

Recorded at 1:15 o'clock MAY 11 1978
Reception No. 1734850 MARJORIE PAGE, Recorder

BOOK 2774 PAGE 27

SECOND SUPPLEMENTAL CONDOMINIUM DECLARATION
AND ANNEXATION AGREEMENT
FOR THE APPLETREE CONDOMINIUMS

THIS SECOND SUPPLEMENTAL CONDOMINIUM DECLARATION AND ANNEXATION AGREEMENT is made this 5th day of May, 1978 by ALPERT CORPORATION, a Colorado corporation (hereinafter referred to as the "Declarant").

WITNESSETH

WHEREAS, on December 27, 1977 the Declarant executed that certain Condominium Declaration for the Appletree Condominiums (hereinafter referred to as the "Declaration"), which Declaration was recorded on December 30, 1977 in Book 2704 at Page 686 of the records in the office of the Clerk and Recorder of Arapahoe County, Colorado; and

WHEREAS, Section 20.1 of the Declaration provides as follows:

"20.1 Annexations by the Declarant. Subject only to the prior written approval of the Veterans Administration as set forth in Section 19.1.3 hereof, the Declarant shall have and hereby specifically reserves the right until December 31, 1981 to annex from time to time any portion or portions of the following-described additional property to the Property and to subject such additional property to the terms and provisions of this Declaration: Southeast one-quarter of Section 22, Township 5 South, Range 67 West of the Sixth Principal Meridian, Arapahoe County, Colorado."

WHEREAS, on April 3, 1978 the Declarant executed that certain First Supplemental Condominium Declaration and Annexation Agreement for the Appletree Condominiums, annexing certain property described therein, which First Supplemental Condominium Declaration was recorded on April 24, 1978 in Book 2762 at Page 560 of the records in the office of the Clerk and Recorder of Arapahoe County, Colorado; and

WHEREAS, the Declarant is the owner of the property described in Exhibit A attached hereto and incorporated herein in

full by this reference and the Declarant desires to annex such property to the Declaration pursuant to Section 20.1 thereof;

NOW, THEREFORE, the Declarant hereby declares as follows:

1. Annexation of Property. Pursuant to Section 20.1 of the Declaration, the property described in Exhibit A attached hereto is hereby annexed to the "Property", as defined in the Declaration, and shall hereafter be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to the terms and provisions of the Declaration.

2. Supplemental Condominium Map. Pursuant to Section 20.2 of the Declaration, the Declarant has prepared and filed, or will prepare and file, in the records in the office of the Clerk and Recorder of Arapahoe County, Colorado a Second Supplement to the Condominium Map for the Appletree Condominiums covering the property described in Exhibit A attached hereto. Upon the filing of such Second Supplement to the Condominium Map for the Appletree Condominiums, the property described in Exhibit A attached hereto shall consist of 36 additional separate Condominium Units as identified in Exhibit B attached hereto.

3. Modification of Undivided Interests. Upon the filing in the records in the office of the Clerk and Recorder of Arapahoe County, Colorado of this Second Supplemental Condominium Declaration and Annexation Agreement and of the Second Supplement to the Condominium Map for the Appletree Condominiums, the undivided interest in the Common Elements appurtenant to each Condominium Unit shall be modified in accordance with Section 20.3 of the Declaration.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal as of the day and year first above written.

ALPERT CORPORATION,
a Colorado corporation

(SEAL)

ATTEST

By Harvey B. Alpert
Harvey B. Alpert, President

Leland J. Alpert
Leland J. Alpert, Assistant
Secretary

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this
5th day of May, 1978 by Harvey B. Alpert as President and
Leland J. Alpert as Assistant Secretary of ALPERT CORPORATION, a
Colorado corporation.

Witness my hand and official seal.

(SEAL)

Kay Steshing
Notary Public

My commission expires:

My Commission Expires Jan. 27, 1982

APPROVAL

COLORADO NATIONAL MORTGAGE COMPANY hereby approves, ratifies and consents to the attached Second Supplemental Condominium Declaration and Annexation Agreement for the Appletree Condominiums.

IN WITNESS WHEREOF, the said Colorado National Mortgage Company has caused its corporate name to be hereunto subscribed by its President and its corporate seal to be hereunto affixed, attested by its Assistant Secretary, this 8th day of May, 1978.

COLORADO NATIONAL MORTGAGE COMPANY

(SEAL)

By: Thomas J. Coughlin
Title: President

ATTEST:

John E. Wilburn
Title: Assistant Secretary

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 8th day of May, 1978, by Thomas J. Coughlin as President and John E. Wilburn as Assistant Secretary of COLORADO NATIONAL MORTGAGE COMPANY.

Witness my hand and official seal.

(SEAL)

William L. Wilburn
Notary Public

My commission expires: June 10, 1978

APPROVAL

VETERANS ADMINISTRATION hereby approves, ratifies and consents to the attached Second Supplemental Condominium Declaration and Annexation Agreement for the Appletree Condominiums.

IN WITNESS WHEREOF, the said Veterans Administration has caused its name to be hereunto subscribed by its Assistant Loan Guaranty Officer this 9th day of May, 1978.

VETERANS ADMINISTRATION

By: John J. McCormick
Title: Assistant Loan Guaranty Officer

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this 9th day of May, 1978, by John J. McCormick as Assistant Loan Guaranty Officer of the Veterans Administration.

Witness my hand and official seal.

(SEAL)

D. Faye Miller
Notary Public

My commission expires:

January 24, 1982

EXHIBIT ATOSECOND SUPPLEMENTAL CONDOMINIUM DECLARATIONAND ANNEXATION AGREEMENT FOR THE APPLETREE CONDOMINIUMS

A tract of land in the Southeast one-quarter of Section 22, Township 5 South, Range 67 West of the Sixth Principal Meridian, Arapahoe County, Colorado being a portion of Lot 1, Block 1, Cherry Creek Farm, Filing No. Three and described as follows:

Commencing at a point on the East right-of-way line of South Dayton St., which is also the Southwest corner of Cherry Creek Farm, Filing No. One, which is a plat of record in the said SE 1/4 of Section 22; thence S 89° 59' 46" E and along said South line of Cherry Creek Farm, Filing No. One a distance of 214.59 feet to the true point of beginning; thence S 00° 00' 14" W a distance of 276.76 feet; thence N 75° 00' 14" E a distance of 35.63 feet; thence S 63° 29' 46" E a distance of 62.82 feet; thence N 86° 14' 24" E a distance of 40.51 feet; thence N 3° 45' 36" W a distance of 22.52 feet; thence N 86° 14' 24" E a distance of 70.00 feet; thence S 3° 45' 36" E a distance of 128.00 feet; thence N 86° 14' 24" E a distance of 27.34 feet; thence N 06° 57' 06" W a distance of 58.70 feet; thence N 24° 22' 34" E a distance of 345.83 feet; thence N 62° 21' 12" W a distance of 39.84 feet; thence N 89° 59' 46" W a distance of 335.41 feet to the true point of beginning.

EXHIBIT BTOSECOND SUPPLEMENTAL CONDOMINIUM DECLARATION
AND ANNEXATION AGREEMENT FOR THE APPLETREE CONDOMINIUMS

<u>Condominium Unit No.</u>	<u>Condominium Building</u>
1	K
2	K
3	K
4	K
5	K
6	K
7	K
8	K
9	K
10	K
11	K
12	K
1	L
2	L
3	L
4	L
5	L
6	L
7	L
8	L
9	L
10	L
11	L
12	L
1	M
2	M
3	M
4	M
5	M
6	M
7	M
8	M
9	M
10	M
11	M
12	M