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State of Colorado)
County of San Miguel)

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By *Kathleen Price* Deputy

DECLARATION OF CONDOMINIUM OWNERSHIP
AND OF
EASEMENTS, RESTRICTIONS, AND COVENANTS
FOR
THE BROWN HOMESTEAD CONDOMINIUM

THIS DECLARATION made and entered into by BR TELLURIDE PROPERTIES, a Colorado Limited Partnership, for convenience hereinafter referred to as the "Declarant",

W I T N E S S E T H:

WHEREAS, the Declarant is the owner in fee simple of the following described real estate located in the County of San Miguel and State of Colorado and described as follows:

A tract of land lying within the San Miguel Townsite, San Miguel County, more particularly described as follows: Beginning at a point from which the Northeast corner of said San Miguel Townsite (identical with Corner No. 1, Ohio Placer, M.D. No. 194) bears N57°38'E 648.18 feet; thence N80°36'W 141.50 feet; thence N10°12'E 87.00 feet; thence N49°00'E 60.45 feet; thence N10°12'E 146.91 feet; thence S81°43'30"E 106.30 feet; thence S10°44'W 282.63 feet to the point of beginning, together with all water and water rights, ditches and ditch rights held in connection therewith,

subject to any and all covenants, conditions, easements and restrictions of record;

WHEREAS, the Declarant intends to and does hereby submit the above-described real estate, together with all buildings, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property") to the provisions of the Condominium Ownership Act of the State of Colorado;

WHEREAS, the Declarant is further desirous of establishing for its own benefit and for the mutual benefit of all future owners or occupants of the Property, or any part thereof, certain easements and rights in, over and upon said premises and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, the Declarant desires and intends that the unit owners, mortgagees, occupants, and all other persons hereinafter acquiring any interest in said development shall at all times enjoy the benefits of, and shall hold their interests subject to the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of such development and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, BR TELLURIDE PROPERTIES, a Limited Partnership, as aforesaid, as the owner of the real estate hereinbefore described, and for the purposes above set forth, DECLARES AS FOLLOWS:

1. Definitions. As used herein, unless the context otherwise requires:
 - (a) "Act" means the "Condominium Ownership Act" of the State of Colorado.
 - (b) "Declaration" means this instrument by which the Property is submitted to the provisions of the Act, as hereinafter provided, and such Declaration as from time to time amended.
 - (c) "Development Area" means the following described real estate:

Tract A

A tract of land lying within the San Miguel Townsite, San Miguel County, more particularly described as follows: Beginning at the Southwest corner of Tract B, from which the Northeast corner of said San Miguel Townsite (identical with Corner No. 1, Ohio Placer, M.S. No. 194) bears N67°43'01"E 821.96 feet; thence N80°36'W 66.64 feet; thence N10°12'E 226.39 feet; thence S79°48'E 22.36 feet; thence N40°41'30"E 60.78 feet to the Northwest corner of Tract B; thence, along the westerly boundary of Tract B, S10°12'W 168.00 feet; thence S49°00'W 10.93 feet; thence S41°00'E 26.03 feet; thence S10°12'W 85.00 feet to the point of beginning, together with all water and water rights, ditches and ditch rights held in connection therewith, subject to any and all covenants, conditions, easements and restrictions of record.

Tract B

A tract of land lying within the San Miguel Townsite, San Miguel County, more particularly described as follows: Beginning at the Southwest corner of Tract C, from which the Northeast corner of said San Miguel Townsite (identical with Corner No. 1, Ohio Placer, M.S. No. 194) bears N66°19'43"E 791.13 feet; thence N80°36'W 36.50 feet; thence N10°12'E 85.00 feet; thence N41°00'W 26.03 feet; thence N49°00'E 10.93 feet; thence N10°12'E 168.00 feet; thence S81°43'30"E 62.38 feet to the Northwest corner of Tract C; thence, along the westerly boundary of Tract C, S10°12'W 135.00 feet; thence N 79°48'W 12.41 feet; thence S10°12'W 144.42 feet to the point of beginning, together with all water and water rights, ditches and ditch rights held in connection therewith, subject to any and all covenants, conditions, easements and restrictions of record.

Tract C

A tract of land lying within the San Miguel Townsite, San Miguel County, more particularly described as follows: Beginning at the Southwest corner of Tract D-E, from which the Northeast corner of said San Miguel Townsite (identical with Corner No. 1, Ohio Placer, M.S. No. 194) bears N64°45'51"E 759.57 feet; thence N80°36'W 38.00 feet; thence N10°12'E 144.42 feet; thence S79°48'E 12.41 feet; thence N10°12'E 135.00 feet; thence S81°43'30"E 63.50 feet to the Northwest corner of Tract D-E, thence, along the westerly boundary of Tract D-E, S10°12'W 146.91 feet; thence S49°00'W 60.45 feet; thence S10°12'W 87.00 feet to the point of beginning, together with all water and water rights, ditches and ditch rights held in connection therewith, subject to any and all covenants, conditions, easements and restrictions of record.

Tract D-E

A tract of land lying within the San Miguel Townsite, San Miguel County, more particularly described as follows: Beginning at a point from which the Northeast corner of said San Miguel Townsite (identical with Corner No. 1, Ohio Placer, M.S. No. 194) bears N57°38'E 648.18 feet; thence N80°36'W 141.50 feet; thence N10°12'E 87.00 feet; thence N49°00'E 60.45 feet; thence N10°12'E 146.91 feet; thence S81°43'30"E 106.30 feet; thence S10°44'W 282.63 feet to the point of beginning, together with all water and water rights, ditches and ditch rights held in connection therewith, subject to any and all covenants, conditions, easements and restrictions of record.

- (d) "Parcel" means the parcel or tract of real estate, described above in this Declaration, submitted to the provisions of the Act.
- (e) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained

therein or thereon, including the buildings and all easements, rights and appurtenances belonging thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the unit owners, submitted to the provisions of the Act.

- (f) "Unit or Condominium Unit" means a part of the Property, including one or more rooms and occupying one or more floors or a part or parts thereof, designed or intended for independent use as a family dwelling, as set forth on plat of survey of the Parcel and all the Units in the Property, which plat is being recorded simultaneously with the recording of this Declaration. Each Unit shall consist of the space enclosed and bounded by the horizontal and vertical planes as shown on the plat; provided, however, except as provided in subparagraph 1(g) next below, that no structural components of the building in which such Unit is located, and no pipes, wires, conduits, ducts, flues, shafts, or public utility lines situated within such Unit and forming part of any system serving one or more other Units or the Common Elements shall be deemed to be a part of said Unit.
- (g) "Common Elements", the Common Elements or General Common Elements shall consist of all of the Property, except not the individual Units, and shall include, but shall not be limited to, the land, foundations, exterior sidewalks and stairways, common parking areas, roof, pipes, ducts, electrical wiring and conduits (except individual central heating and air conditioning systems, pipes, ducts, electrical wiring and conduits and floors, sub-floors, floor joists and ceilings, situated entirely within a Unit and serving only said Unit), public utility lines, structural parts of the Building, outside walks and driveways, landscaping, and all other portions of the Property except the individual Units.
- (h) "Limited Common Elements" means a portion of the Common Elements contiguous to and serving exclusively a single Unit as an inseparable appurtenance thereto, including specifically, but not by way of limitation, such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows and entryways, patios, and of all associated fixtures and structures therein as lie outside the Unit boundaries.
- (i) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.
- (j) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit.
- (k) "Majority" or "Majority of the Unit Owners" means the owners of more than 70% in the aggregate in interest of the undivided ownership of the Common Elements. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided ownership of the Common Elements.
- (l) "Plat" means the plats of survey of the Parcel and of all Units in the Property submitted to the pro-

visions of the Act, said Plat being attached hereto as Exhibit "A" and by this reference made a part hereof and recorded simultaneously with the recording of this Declaration.

- (m) "Record or Recording" refers to record or recording in the Office of the Recorder of Deeds in San Miguel County, Colorado.
- (n) "Building" means the buildings located on the Parcel and forming part of the Property and containing the Units, as shown by the surveys of the respective floors.

2. Submission of Property to the Act. The Declarant, as the owner in fee simple of the Parcel expressly intends, and by recording this Declaration does hereby submit the Parcel and the Property to the provisions of the Condominium Ownership Act of the State of Colorado.

3. Plat. The Plat attached hereto as Exhibit "A" and recorded simultaneously herewith sets forth the measurements, elevations, locations and other data, as required by the Act, with respect to (a) the Parcel and its exterior boundaries; (b) the Building; and (c) each Unit of the Building and its horizontal and vertical dimensions. Each Unit is identified on the Plat by a distinguishing number or other symbol.

4. Units. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on the Plat, and every such description shall be deemed good and sufficient for all purposes, as provided in the Act.

5. Administration and Operation of the Property.

(a) The governing body for all of the Unit Owners for the administration and operation of the Property, as provided in the Act and in this Declaration and in the By-Laws, shall be the Board of Managers who shall be elected in the manner provided in the By-Laws. The Board of Managers, when authorized by a majority of the Unit Owners, shall cause to be incorporated a not-for-profit corporation as provided by the

Act, and in such event, then such corporation (hereinafter referred to as "Association" shall be the governing body for all of the Unit Owners for the administration and operation of the Property as provided in the Act and in this Declaration and in the By-Laws. The Board of Directors of such Association shall constitute the Board of Managers provided for in the Act, and all rights, titles, powers, privileges and obligations vested in or imposed upon the Board of Managers in the Act and in this Declaration and in the By-Laws shall be held or performed by the Association or by the duly elected members of the Board of Directors thereof and their successors in office. The By-Laws for the governing body shall be the By-Laws appended hereto as Exhibit "C" and made a part hereof.

Whenever the word "Board" is used in this Declaration or in the By-Laws, it shall mean and refer to the Board of Managers if there is no Association, or if there is an Association, it shall mean and refer to said Association acting through its Board of Directors. The Board shall be elected by the Unit Owners in accordance with the By-Laws. Neither the Board, the Association, nor the Unit Owners shall be deemed to be conducting a business of any kind. All funds collected by the Board shall be held and expended for the purposes designated in the Declaration and By-Laws and (except for such adjustments as the Board may require to reflect delinquent, prepaid and special assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit "B", and shall be administered in accordance with the provisions of the Declaration and By-Laws. Each Unit Owner shall be a member of the Association so long as he shall be a Unit Owner, and such membership shall automatically terminate when he ceases to be a Unit Owner, and upon transfer of his ownership interest, the new Unit Owner succeeding to such owner-

ship interest shall likewise succeed to such membership in the Association.

(b) Indemnity. The members of the Board and the officers thereof or of the Association shall not be liable to the Unit Owners for any mistake of judgment, or any acts or omissions made in good faith as such members or officers. The Unit Owners shall indemnify and hold harmless each of such members or officers on behalf of the Unit Owners or the Association unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration. The liability of any Unit Owner arising out of any contract made by such members or officers or out of the the aforesaid indemnity shall be limited to such proportion of the total liability thereunder as his percentage interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Each agreement made by such members or officers or by the managing agent on behalf of the Unit Owners or the Association shall be executed by such members or officers or the managing agent, as the case may be, as agents for the Unit Owners or the Association.

6. Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any question of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all of such Unit Owners.

7. Ownership of the Common Elements. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in the schedule attached hereto as Exhibit "B" and by this reference made a part hereof as though set forth herein. The aforesaid percentages of ownership interest have been computed and determined in accordance with the Act, and shall remain constant unless hereafter

changed by recorded Amendment to this Declaration pursuant to Paragraph 21 hereof or by the unanimous written consent of all Unit Owners. Said ownership interest in the Common Elements shall be undivided interests, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership as set forth in Exhibit "B". The ownership of each Unit and of the Unit Owner's corresponding percentage of ownership in the Common Elements shall not be separated.

8. Use of the Common Elements. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements) in common with all other Unit Owners, as may be required for the purposes of access and ingress and egress to and use and occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to each Unit Owner, and the agents, servants, tenants, family members and invitees of each Unit Owner. Each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements contiguous to and serving exclusively such Unit Owner. Such rights to use and possess the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act and of this Declaration and the By-Laws herein and the rules and regulations of the Board.

The Board shall have the authority to lease or to grant licenses or concessions with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws.

9. Common Elements. Each Unit Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements (which expenses are herein sometimes referred to as "common expenses"), including specifically, but not by way of limitation, the maintenance

and repair thereof and any and all replacements and additions thereto. Such proportionate share of the common expenses for each Unit Owner shall be in the same ratio as his percentage of ownership in the Common Elements. Payment thereof shall be in such amounts and at such times as determined in the manner provided in the By-Laws. If any Unit Owner shall fail or refuse to make any such payment of the common expenses or the prorata share of real estate taxes assessed as a whole, as provided in paragraph 11 hereof, when due, the amount thereof shall constitute a lien on the interest of such Unit Owner in the Property. Provided, however, that encumbrances owned or held by any bank, insurance company, or savings and loan association shall be subject as to priority after written notice to said encumbrancer of unpaid common expenses only to the lien of all common expenses on the encumbered Unit Ownership which become due and payable subsequent to the date said encumbrancer either takes possession of the Unit, accepts a conveyance in the Unit Ownership, or upon appointment of a receiver in any action to foreclose its lien.

10. Separate Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to make a separate mortgage or encumbrance on his respective Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create or cause to be made or created any mortgage or encumbrance or other lien on or affecting the Property or any part thereof, except only to the extent of his Unit and his respective ownership interest in the Common Elements.

11. Separate Real Estate Taxes. It is understood that the real estate taxes are to be separately taxed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner, but are taxed on the Property as a whole,

then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements. The Board shall determine the amount due and notify each Unit Owner as to this amount due for the real estate taxes.

12. Insurance.

(a) The Board shall have the authority to and shall obtain insurance for the Property against loss or damage by fire and such other hazards as the Board may deem desirable, for the full insurable replacement cost of the Common Elements and the Units. Premiums for such insurance shall be common expenses.

Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to the Board, as trustee for each of the Unit Owners in their respective percentages of ownership interest in the Common Elements as established in the Declaration.

The Board may engage the services of any bank or trust company authorized to do trust business in Colorado to act as trustee, agent or depository on behalf of the Board for the purpose of receiving and disbursing the insurance proceeds resulting from any loss, upon such terms as the Board shall determine consistent with the provisions of the Act and this Declaration. The fees of such corporate trustee shall be common expense. In the event of any loss in excess of \$10,000.00 in the aggregate, the Board shall engage a corporate trustee as aforesaid, or in the event of any loss resulting in the destruction of the major portion of one or more Units, the Board shall engage a corporate trustee, as aforesaid, upon the written demand of the mortgagee or owner of any Unit so destroyed.

The proceeds of such insurance shall be applied by the Board or by the corporate trustee on behalf of the Board

for the reconstruction of the Building, or shall be otherwise disposed of, in accordance with the provisions of this Declaration and the Act; and the rights of the mortgagee of any Unit under any standard mortgage clause endorsement to such policies shall, notwithstanding anything to the contrary therein contained, at all times be subject to the provisions in the Act with respect to the application of insurance proceeds to reconstruction of the Building.

Payment by an insurance company to the Board or to such corporate trustee of the proceeds of any policy, and the receipt of release from the Board of the company's liability under such policy, shall constitute a full discharge of such insurance company, and such company shall be under no obligation to inquire into the terms of any trust under which proceeds may be held pursuant hereto, or to take notice of any standard mortgage clause endorsement inconsistent with the provisions hereof, or see to the application of any payments of the proceeds of any policy by the Board or any corporate trustee.

(b) The Board shall also have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workmen's compensation insurance and other liability insurance as it may deem desirable, insuring each Unit Owner, the Association, its officers, members of the Board, the Trustee, the manager and managing agent of the Building, if any, and their respective employees and agents, from liability in connection with the Common Elements and the streets and sidewalks adjoining the Property, and insuring the officers of the Association and members of the Board from liability for good faith actions beyond the scope of their respective authorities. Such insurance coverage shall include cross

liability claims of one or more insured parties against other insured parties. The premiums for such insurance shall be common expenses. The Board shall retain in safekeeping the public liability policies for 23 years after the expiration date of the policy.

(c) Each Unit Owner shall be responsible for his own insurance on the contents of his own Unit and furnishings and personal property therein, and his personal property stored elsewhere on the Property, and his personal liability to the extent not covered by the liability insurance for all of the Unit Owners obtained as part of the common expenses as above provided.

Each Owner shall notify the Board in writing of any additions or alterations to his Unit resulting in increased value thereof and he shall be responsible for any deficiency in any insurance loss recovery resulting from his failure to so notify the Board; each Owner shall make arrangements satisfactory to the Board to reimburse the Board for any additional premiums attributable thereto.

(d) All insurance purchased by the Board shall contain a waiver of subrogation clause reading substantially as follows:

"This Company hereby waives its rights of subrogation against any Owner of a Unit of the Condominium, but the Subrogation Clause of this policy otherwise remains unchanged."

13. Maintenance, Repairs and Replacements. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit and within any proprietary Limited Common Elements, including but not limited to the interior surface of walls, floors, ceilings and doors, windows, fixtures, appliances, individual central heating and air conditioning systems, pipes, ducts, electrical wiring and conduits, and floors, sub-floors,

floor joists and ceilings, situated entirely within his own Unit and serving only his own Unit. Maintenance, repairs and replacements of the Common Elements shall be furnished by the Board as part of the common expenses, subject to the rules and regulations of the Board; provided that at the discretion of the Board, maintenance, repairs and replacements of the Limited Common Elements may be made by the Board and may be assessed in whole or in part to Unit Owners benefited thereby and, further, at the discretion of the Board, it may direct such Unit Owners, in the name and for the account of such Unit Owners, to arrange for such maintenance, repairs and replacements, to pay the cost thereof with the funds of the Unit Owners, and to procure and deliver to the Board such lien waivers and contractor's and sub-contractor's sworn statements as may be required to protect the Property from all mechanic's or materialmen's lien claims that may arise therefrom.

If, due to the act or neglect of a Unit Owner, or of a member of his family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the common expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by the Board's insurance.

The authorized representatives of the Board or of the manager or managing agent for the Building shall be entitled to reasonable access to the individual Units as may be required in connection with maintenance, repairs or replacements of or to the Common Elements or any equipment, facilities or fixtures affecting or serving other Units or the Common Elements.

14. Alterations, Additions or Improvements. No alterations of any Common Elements, or any additions or improvements

thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as Common Expenses alterations, additions and improvements of the Common Elements as made and provided in the By-Laws. Any Unit Owner may make alterations within the Unit of the Unit Owner or any additions or improvements within such Unit without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, or the Property as a result of such Unit alteration, additions or improvements.

15. Decorating. Each Unit Owner shall furnish and be responsible for, at his own expense, all of the decorating within his own Unit from time to time, including painting, wall papering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lamps and other furnishings and interior decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floors and ceilings, and such Unit Owner shall maintain such interior surfaces in good condition at his sole expense as may be required from time to time, which said maintenance and use shall be subject to the rules and regulations of the Board, and each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided), and any re-decorating of Units to the extent made necessary by any damage to existing decorating of such Units caused by maintenance, repair or replacement work on the Common Elements by the Board, shall be furnished by the Board as part of the common expenses. The interior and exterior surfaces of all windows forming part of a perimeter wall of a Unit shall be cleaned or washed at the expense of each respective Unit Owner.

16. Easements.

(a) Encroachments. If now or hereafter, by reason of construction, settlement or otherwise, any portions of the Common Elements shall actually encroach upon any Unit, or if now or hereafter any Unit shall actually encroach upon any portions of the Common Elements, as the Common Elements and Units are shown by the surveys comprising the Plat attached hereto as Exhibit "A", there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved to the extent of such encroachments so long as the same shall exist.

(b) Patios or Balconies. A valid exclusive easement is hereby declared and established for the benefit of each Unit Owner, consisting of the right to use and occupy the patio or balcony, if any, adjoining his Unit; provided, however, that no Unit Owner shall decorate, landscape or adorn such patio or balcony in any manner contrary to such rules and regulations as may be established by the Board of Managers or Association as hereinafter provided unless he shall first obtain written consent of said Board of Managers or Association so to do.

(c) Utility Easements. The telephone company, electric company and all other public utilities serving the property are hereby granted easements for ingress and egress, and the right to lay, construct, renew, operate and maintain conduits, cables, pipes and wires, and other equipment over, under, upon, into and through the Common Elements (including also the Limited Common Elements) for the purpose of providing the Property with and maintaining utility services.

(d) Easements to Run with Land. All easements and rights described herein are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the undersigned,

its successors and assigns, and any Unit Owner, purchaser, mortgagee and other person having an interest in the Property, or any part or portion hereof.

17. Lease by a Unit Owner. If a lease or renting of any Unit is made by any Unit Owner, or his agent, regardless of the duration of said lease or renting, the lessee thereunder shall be bound by and be subject to all of the obligations of such Unit Owner with respect to such Unit Ownership as provided in this Declaration and the By-Laws. The Unit Owner making any such lease shall not be relieved thereby from any of his obligations.

For the purposes of this Paragraph 17, the word "Owner" shall include any beneficiary of a trust, shareholder of a corporation or partner of a partnership holding legal title to a Unit Ownership, and the term "Unit Ownership" shall include the beneficial interest, shares or partnership interest, as the case may be, held by such Owner.

18. Use and Occupancy Restrictions. No part of the Property shall be used for other than housing and the related common purposes for which the Property was designed. Each three (3) bedroom Unit shall be used as a residence for a single family or by a maximum of ten (10) unrelated persons and each two (2) bedroom Unit shall be used as a residence for a single family or by a maximum of seven (7) unrelated persons, or such other uses permitted by this Declaration and for no other purposes. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner or other lawful occupant from: (a) maintaining his personal professional library therein; (b) keeping his personal business or professional records or accounts therein; or (c) handling his personal business or professional telephone calls or correspondence therefrom. Such uses are expressly declared customarily incident to

the principal residential use and not in violation of said restrictions.

The Common Elements shall be used only for access, ingress and egress to and from the respective Units by the respective families residing therein and their respective guests, household help and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective Units; provided, however, that any special areas shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner. The Board, and its authorized employees and representatives, shall have access to any Unit as may be necessary for the repair, maintenance, replacement, alteration, care or protection of the Common Elements or any portion thereof.

Nothing herein shall be construed as prohibiting, infringing or in any way restricting the right of any Unit Owner to rent a Unit on a short or long-term basis to persons visting in the area and who will use the Unit on a transient basis.

19. Remedies. In the event of any default by any Unit Owner under the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board, the Board, or its agents, shall have each and all of the rights and remedies which may be provided for in the Act, Declaration, By-Laws or said rules and regulations or which may be available at law or in equity, and may prosecute any action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as hereinafter in this paragraph provided,

or for any other lawful relief, including but not limited to the right to take possession of such Unit Owner's interest in the Property and to maintain an action for possession in any Court of equity jurisdiction, or for any combination of remedies. All expenses of the Board in connection with such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the rate of eight percent (8%) per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for nonpayment of his respective share of the common expenses, upon the Unit and the ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property. In the event of any such default by any Unit Owner, the Board, and the manager or managing agent if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. And all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

If any Unit Owner (either by his own conduct or by the conduct of any other occupant of his Unit) shall violate any of the covenants or restrictions or provisions of this Declaration or the regulations adopted by the Board, and such violation shall continue for thirty (30) days after notice in writing from the Board, or shall re-occur more than once thereafter, then the Board shall have the power to issue to the defaulting Owner a 10-day notice in writing to terminate the rights of said defaulting Owner to continue as an Owner

and to continue to occupy, use or control the Unit of such Unit Owner. Thereupon an action in equity may be filed by the Board against the defaulting Owner for a decree of mandatory injunction against the Owner or occupant, or, in the alternative, for a decree declaring the termination of the defaulting Owner's right to occupy, use or control the Unit owned by such Unit Owner on account of the breach of covenant, and ordering that all the right, title and interest of the Owner in the property shall be sold (subject to the lien of any existing mortgage) at a judicial sale upon such notice and terms and the court shall establish, except that the court shall enjoin and restrain the defaulting Owner from re-acquiring the subject interest at such judicial sale. The proceeds of any such judicial sale shall first be paid to discharge court costs, court reporter charges, reasonable attorneys' fees and all other expenses of the proceeding and sale, and all such items shall be taxed against the defaulting Owner in said decree. Any balance of proceeds, after satisfaction of such charges and any unpaid assessments hereunder or any liens shall be paid to the Owner. Upon the confirmation of such sale, the purchaser shall thereupon be entitled to a deed to the Unit Ownership and to immediate possession of the Unit sold and may apply to the court for a writ of assistance for the purpose of acquiring such possession, and it shall be a condition of any such sale, and the decree shall so provide, that the purchaser shall take the interest in the property sold subject to this Declaration.

20. Amendment. Unless amended by the Declarant as herein provided by Paragraph 21 hereof, the provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission, signed by Unit Owners having at least eighty percent (80%) of the total vote, and certified by the Secretary of the Board;

provided, however, that all lien holders of record have consented in writing to such change, modification or rescission; and, further, provided, that no such change, modification or rescission shall in any way affect the rights of the Declarant to make such changes Annexing Additional Property, et al. as provided by Paragraph 21 hereof.

Notwithstanding the provisions of the foregoing paragraph, if the Act, or this Declaration, or the By-Laws, requires the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all lien holders or both as required by the Act or this Declaration.

The change, modification or rescission, whether accomplished under either the provisions of the preceding two paragraphs or under Paragraph 21 hereof, shall be effective upon recordation of such instrument in the Office of the Recorder of Deeds of San Miguel County, Colorado; provided, however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Condominium Ownership Act.

21. Annexing Additional Property.

(a) The Declarant, its successors and assigns, reserve the right from time to time, within five (5) years of the date of recording of this Declaration, to annex and add to the Parcel and Property and thereby add to the condominium created by this Declaration, all or any portion of the Development Area. No rights of any character whatever within the Development Area attach to any owner except as to that portion described on Exhibit "A" and except as to that portion described in any recorded Amended Declaration annexing and adding such portion to this Declaration as part of the condominium created

by this Declaration.

(b) In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, as attorney-in-fact, to shift the percentages of ownership in the Common Elements appurtenant to each Unit to the percentages set forth in each such Amended Declaration recorded pursuant to this Paragraph 21. Each deed, mortgage or other instrument with respect to a Unit and the acceptance thereof shall be deemed a grant and acknowledgement of and consent to such power to said attorney-in fact and shall be deemed to reserve to it the power to shift and reallocate from time to time the percentages of ownership in the Common Elements appurtenant to each Unit to the percentages set forth in each such recorded Amended Declaration.

(c) Each Amended Declaration shall include an amended Exhibit "A" which shall amend Exhibit "A" hereto by setting forth the amended legal description of the Parcel to include additional parcel or parcels annexed hereto, as well as a separate legal description of such addition. The Amended Declaration shall also contain an amended Plat showing the boundaries of such addition and of the entire Parcel as amended, and delineating the additional Units on such addition.

Each Amended Declaration shall also include an Amended Exhibit "B" which shall amend Exhibit "B" hereto by setting forth the amended percentages of the undivided interests in the Common Elements (as amended and added to by such Amended Declaration) allocated to each Unit (including all previous Units and the additional Units added by such Amended Declaration).

Each Amended Declaration shall also set forth the form of legal description for the Units added by such Amended Declaration, as well as all previous Units.

The total number of Units which may be constructed and included within this Declaration, as amended, may not

exceed twenty (20) Units. The additional twelve (12) Units which could or may be added shall be substantially identical in exterior design and unit configuration to the Existing eight (8) Units heretofore constructed. The Added twelve (12) Units shall be located in three (3) separate buildings, four (4) Units to each building.

(d) The percentages of undivided ownership in the Common Elements as amended by each Amended Declaration, and as set forth in the amended Exhibit "B" shall be determined and adjusted in the following manner.

The Common Elements as amended by such Amended Declaration shall be deemed to consist of:

(i) the Common Elements as existing immediately prior to the recording of such Amended Declaration (hereinafter referred to as the "Existing Common Elements"); and

(ii) the Common Elements added by such Amended Declaration (hereinafter referred to as the "Added Common Elements").

The Units as amended by such Amended Declaration shall be deemed to consist of:

(iii) the Units as existing immediately prior to the recording of such Amended Declaration (hereinafter referred to as "Existing Units"); and

(iv) the Units added by such Amended Declaration (hereinafter referred to as the "Added Units").

The value of each of the Added Units shall be added to the aggregate value of the Existing Units and the total value thereof shall be deemed to be the new value of the Property as a whole. "Value" as used in this paragraph shall be determined by the Declarant as of the date of the recording of the Amended Declaration. Such determination by the Declarant shall be conclusive and binding upon all Unit Owners, mortgagees and other parties who then or in the future have any interest in the Property.

The percentages of undivided ownership interest, as amended and adjusted by such Amended Declaration, in the entire Common Elements, consisting of the Existing Common Elements

plus the Added Common Elements, to be allocated among all the Units, consisting of the Existing Units plus the Added Units, shall be computed by taking as a basis the value of each Unit in relation to the value of the Property as a whole, determined as aforesaid.

If, as and when the Declarant exercises its option to increase the total number of Units within this Declaration to twenty (20) Units (the permitted maximum hereunder), the respective percentages of undivided ownership interest in the Common Elements, including the Existing Common Elements and Added Common Elements, adjusted and reallocated among all the Units from time to time shall not be less than forty percent (40%) of the respective percentages of undivided ownership interest in the Common Elements allocated to each Unit as set forth in Exhibit "B" attached to this Declaration.

The Existing Units shall be entitled to their respective percentages of ownership, as amended and adjusted and set forth in amended Exhibit "B" attached to such Amended Declaration, in the Added Common Elements as well as in the Existing Common Elements.

The Added Units shall be entitled to their respective percentages of ownership, as set forth in such amended Exhibit "B", not only in the Added Common Elements but also in the Existing Common Elements.

Each and all of the provisions of this Declaration and the Exhibits attached hereto, as amended by each such successive Amended Declaration and the amended Exhibits attached thereto, shall be deemed to apply to each and all of the Units, including all such Added Units as well as all Existing Units, and to all of the Common Elements, including all such Added Common Elements as well as all Existing Common Elements.

The recording of an Amended Declaration shall not alter or affect the amounts of any liens for common expenses due from any Existing Unit Owners prior to such recording,

nor the respective amounts theretofore assessed to or due from Existing Unit Owners for common expenses or other assessments.

(e) The lien of any mortgage encumbering any Existing Unit, together with its appurtenant percentage of undivided ownership interest in the Existing Common Elements, shall automatically be deemed to be adjusted and amended when an Amended Declaration is recorded, in accordance with the respective percentage of undivided ownership interest in the Common Elements for such Existing Unit as set forth in the amended Exhibit "B" attached to such Amended Declaration, and the lien of such mortgage shall automatically attach in such percentage to the Added Common Elements.

(f) Each and all of the Unit Owners, of all Existing Units and of all Added Units hereafter, and their respective mortgagees, grantees, heirs, administrators, executors, legal representatives, successors and assigns, by their acceptance of any deed or mortgage or other interest in or with respect to any such Units, shall be deemed to have expressly agreed, assented and consented to each and all of the provisions of this Declaration, with respect to the recording of any and all Amended Declarations as aforesaid which may amend, adjust and reallocate from time to time their respective percentages of undivided ownership interest in the Common Elements, including the Existing Common Elements and Added Common Elements, from time to time as hereinabove provided; and hereby further agree to each and all of the provisions of each and all of said Amended Declarations which may hereafter be recorded in accordance with the foregoing provisions of this Declaration.

(g) Each and all of the Unit Owners, of all Existing Units and of all Added Units hereafter, and their respective mortgagees, grantees, heirs, administrators, executors, legal

representatives, successors and assigns, by their acceptance of any deed or mortgage or other interest in or with respect to any such Units, further acknowledge, consent and agree, as to each such Amended Declaration that is recorded, as follows:

(i) The portion of the Development Area described in each such Amended Declaration shall be governed in all respects by the provisions of this Declaration.

(ii) The percentage of ownership in the Common Elements appurtenant to each Unit shall automatically be shifted and reallocated to the extent set forth in each such recorded Amended Declaration and upon the recording of each such Amended Declaration, the amount by which such percentage appurtenant to a Unit is reduced, as set forth in each such recorded Amended Declaration, shall thereby be and be deemed to be released and divested from such Unit Owner and reconveyed and reallocated among the other Unit Owners as set forth in each such recorded Amended Declaration.

(iii) Each deed, mortgage or other instrument affecting a Unit shall be deemed given subject to the conditional limitation that the percentage of ownership in the Common Elements appurtenant to each Unit shall, upon the recording of each Amended Declaration, be divested *pro tanto* to the reduced percentage set forth in such Amended Declaration and vested among the other Owners, mortgagees and others owning an interest in the other Units in accordance with the terms and percentages of each such recorded Amended Declaration.

(iv) A right of revocation is hereby reserved by the grantor in each such deed, mortgage or other instrument of a Unit to so amend and reallocate the percentages of ownership in the Common Elements appurtenant to each Unit.

(v) The percentage of ownership in the Common Elements appurtenant to each Unit shall include and be deemed to include any additional Common Elements annexed hereto by a recorded Amended Declaration and each deed, mortgage or other instrument affecting a Unit shall be deemed to include such additional Common Elements and the ownership of any such Unit and lien of any such mortgage shall automatically include and attach to such additional Common Elements as such Amended Declarations are recorded.

(vi) Each Owner shall have a perpetual easement, appurtenant to his Unit, for the use of any additional Common Elements annexed thereto by and described in any recorded Amended Declaration, for the purposes therein set forth, except as to any portion the use of which is limited by exclusive easements granted to the Owners of specific Units as may be provided in any such Amended Declaration, or this Declaration.

(vii) Each Owner by acceptance of the deed conveying his Unit, agrees for himself and all those claiming under him, including mortgagees, that this Declaration and each Amended Declaration is and shall be

deemed to be in accordance with the Act and for purposes of this Declaration and the Act, any changes in the respective percentages of ownership in the Common Elements as set forth in each such Amended Declaration shall be deemed to be made by agreement of all Unit Owners.

(viii) The Declarant reserves the right to amend this Declaration in such manner, and each Owner agrees to execute and deliver such documents necessary or desirable to cause the provisions of this Paragraph 21 to comply with the Act as it may be amended from time to time.

(ix) The foregoing provisions of this Declaration and in deeds and mortgages of the Units and Common Elements contain and will contain clauses designed to accomplish a shifting of the Common Elements. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Elements can be accomplished.

22. Notices. Notices provided for in the Act, Declaration or By-Laws shall be in writing, and shall be addressed to the Board, or any Unit Owner, as the case may be, at the commonly known address of the Building, or at such other address as hereinafter provided. The Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners at such time. Any Unit Owner may also designate a different address or addresses for notices to him by giving written notice of his change of address to the Board. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail or when delivered in person with written acknowledgement of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

23. Severability. If any provision of the Declaration or By-Laws or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held

invalid, the validity of the remainder of the Declaration and By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

24. Perpetuities and Restraints on Alienation. If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of Richard Lamm, Governor of Colorado, and James E. Carter, President of the United States.

25. Rights and Obligations. Each grantee of Declarant, by acceptance of a deed of conveyance, or each purchaser under any contract for such deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such Owner in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

26. Miscellaneous.

(a) No covenants, restrictions, conditions, obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

(b) The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a first class condominium.

IN WITNESS WHEREOF, BR TELLURIDE PROPERTIES, a Colorado Limited Partnership, as Declarant as aforesaid, has caused these presents to be signed and sealed by its General Partner this 16TH day of FEBRUARY, 19 77.

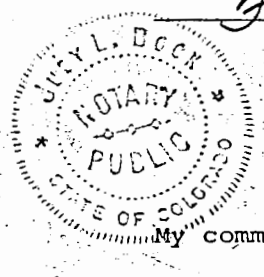
BR TELLURIDE PROPERTIES,
a Colorado Limited Partnership,
as Declarant as aforesaid

By  (SEAL)
General Partner

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

I, Judy L. Beck, a Notary Public
in and for said County, in the State aforesaid, DO HEREBY
CERTIFY that BURT M. RICHMOND, General Partner of BR TELLURIDE
PROPERTIES, a Colorado Limited Partnership, personally known
to me to be the same person whose name is subscribed to the
foregoing instrument as such General Partner, appeared before
me this day in person and acknowledged that he signed and
delivered the said instrument as his own free and voluntary
act, and as the free and voluntary act of BR TELLURIDE PROPERTIES,
a Colorado Limited Partnership, for the uses and purposes therein
set forth.

GIVEN under my hand and notarial seal this 16th day of
February, 1977.



(S E A L)

Judy L. Beck
Notary Public

My commission expires April 6, 1980

Pages 306-309

are set map + avert

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EXHIBIT "B"

<u>Unit</u>	<u>Percentage of Interest In Common Elements</u>
D1	10.65
D2	10.65
D3	14.35
D4	14.35
E1	10.65
E2	10.65
E3	14.35
E4	14.35

EXHIBIT "C"

BY-LAWS

ARTICLE I
Members (Unit Owners)

Section 1. The direction and administration of the Property shall be vested in a Board of Managers (hereinafter referred to as the "Board"), consisting of five (5) persons who shall be elected in the manner hereinafter provided. Each member of the Board shall be one of the Unit Owners or a spouse of a Unit Owner; provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board. At least one Unit Owner must come from each of the separate four-Unit condominium Buildings comprising the Parcel.

Section 2. There shall be one person with respect to each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known (and hereinafter referred to) as a "voting member". Such voting member may be the Owner or one of the group composed of all the Owners of a Unit Ownership, or may be some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the Owner or Owners. Any or all of such Owners may be present at any meeting of

the voting members and (those constituting a group acting unanimously) may vote or take any other action as a voting member either in person or by proxy. The total number of votes shall equal the total of the percentage of ownership in the Common Elements applicable to his or their Unit Ownership as set forth in Exhibit "B". Declarant shall be the voting member with respect to any Unit Ownership owned by the Declarant.

Section 3. Meetings of the voting members shall be held at the Property or at such other place in the county wherein the Property is situated, as may be designated in any notice of a meeting. The presence in person or by proxy at any meeting of the voting members having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the voting members at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes present at such meeting.

(a) The initial meeting of the voting members shall be held upon ten (10) days' written notice given by the Declarant when at least seven (7) of the Units are sold. Thereafter, there shall be an annual meeting of the voting members on the fourth Saturday of December following such initial meeting, and on the fourth Saturday of December of each succeeding year thereafter, at 7:30 P.M., or at such other reasonable time or date (not more than thirty (30) days before or after such date) as may be designated by written notice of the Board delivered to the voting members not less than twenty (20) days prior to the date fixed for said meeting.

(b) Special meetings of the voting members may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the voting members, or for any other

reasonable purpose. Said meetings shall be called by written notice, authorized by a majority of the Board, or by the voting members having one-third (1/3) of the total votes, and delivered not less than thirty (30) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered.

(c) Notices of meetings required to be given herein may be delivered either personally or by certified mail, return receipt requested, to the persons entitled to vote at such meetings, addressed to each such person at the address given by him to the Board for the purpose of service of such notice, or to the Unit of the Owner with respect to which such voting right appertains, if no address has been given to the Board.

ARTICLE II Board of Managers

Section 1. At each annual meeting a Board shall be elected. In all elections for members of the Board, each voting member shall be entitled to vote on a cumulative voting basis, and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. A majority of the total number of members on the Board shall constitute a quorum. Members of the Board elected at the initial meeting shall serve until the first annual meeting. At the first annual meeting, and at each successive annual meeting thereafter, members of the Board shall be elected for a term of one (1) year. After the first annual meeting, the voting members having at least eighty percent (80%) of the total votes may from time to time increase or decrease such number of persons on the Board or may increase the term of office of Board members at any annual or special meeting,

provided that such number shall not be less than five (5), and that the terms of at least one-third (1/3) of the persons on the Board shall expire annually. Members of the Board shall receive no compensation for their services, unless expressly allowed by the Board at the direction of the voting members having eighty percent (80%) of the total votes. Vacancies in the Board, including vacancies due to any increases in the number of persons on the Board, shall be filled by election by the voting members present at the next annual meeting or at a special meeting of the voting members called for such purpose. Except as otherwise provided in the By-Laws, the Property shall be managed by the Board and the Board shall act by majority vote of those present at its meetings when a quorum exists. Meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

Section 2. Any Board member may be removed from office for good cause by affirmative vote of the voting members having at least two-thirds (2/3) of the total votes, at any special meeting called for the purpose. A successor to fill the unexpired term of a Board member removed may be elected by the voting members at the same meeting or any subsequent meeting called for that purpose.

Section 3. All agreements, contracts, deeds, leases, vouchers for payment of expenditures and other instruments shall be signed by such officer or officers, agent or agents of the Board and in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President or any Vice President and countersigned by the Secretary or any Assistant Secretary of the Board.

Section 4. The Board shall have the following powers and duties:

(a) to administer the Property;

(b) to engage, if they so choose, the services of a manager or managing agent who shall manage and operate the Property and the Common Elements thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve;

(c) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(d) to adopt administrative rules and regulations governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(e) to provide for the maintenance, repair and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or managing agent;

(f) to provide for the designation, hiring and removal of employees and other personnel, including accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the manager or managing agent (and any such employees or other personnel who may be the employees of the managing agent);

(g) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;

(h) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners; and

(i) to exercise all other powers and duties of the Board of Managers or Unit Owners as a group referred to in the Condominium Ownership Act of the State of Colorado, and all powers and duties of a Board of Managers referred to in the Declaration or these By-Laws.

ARTICLE III
Officers

Section 1. At each annual meeting, the Board shall elect the following officers:

(a) A President, who shall be a member of the Board and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Board;

(b) A Vice President, who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President.

(c) A Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident of the office of Secretary, and who may be a representative of the managing agent.

(d) A Treasurer, who shall keep the financial records and books of account; and

(e) Such additional officers as the Board shall see fit to elect.

Section 2. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

Section 4. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed for good cause at any time by the Board at a special meeting thereof.

Section 5. The officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by at least eighty percent (80%) of the Unit Owners.

ARTICLE IV
Assessments

Section 1. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, water, landscaping, snow removal, insurance, power and other common expenses (as distinguished from individual mortgage payments, real estate taxes and individual telephone, electricity, gas, and other individual utility expenses billed or charged to the separate Unit Owners on an individual or separate basis rather than a common basis). The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

Section 2. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than ninety (90) days after the beginning of such year. On or

before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements as set forth in Exhibit "B" to the Declaration. The Board may cause to be sent to each Unit Owner on or before the first day of each month a statement of the monthly assessment of such Unit Owner for such month, but the failure to send or to receive such monthly statements shall not relieve any Unit Owner of his obligation to pay his monthly assessment on or before the first day of each month. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the manager or managing agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessments for common expense by abandoning or not using his Unit or the Common Elements.

Section 3. For the first fiscal year, the annual budget shall be as approved by the first Board. If such first year, or any succeeding year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his Unit by each Unit Owner, he shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest

in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

Section 4. Within ninety (90) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. The Board shall cause to be kept a separate account for each Unit Owner showing the respective assessments charged to and paid by such Unit Owner, and the status of his account from time to time. Upon ten (10) days' notice to the Board, and the payment of a reasonable fee, any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 6. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner and, thereupon, a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 7. The Board shall not approve any capital expenditures in excess of One Thousand Dollars (\$1,000.00), nor entered into any contracts for more than two years, without the approval of a majority of the Unit Owners (as such majority is defined in the Declaration).

Section 8. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses, and real estate taxes if assessed on all Units as a whole, in the same ratio as his percentage of ownership in the Common Elements as set forth in the Declaration, and as assessed in the manner herein provided. If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for thirty (30) days, the members of the Board may, in addition to or in substitution for any other remedy available under the Act or the Declaration, including but not limited to the right to maintain an action for possession, bring suit for and on behalf of themselves as representatives of all Unit Owners to enforce collection thereof or to foreclose the lien therefor as hereinafter provided; and there shall be added to the amount due the costs of said suit, and other fees and expenses together with legal interest and reasonable attorneys' fees to be fixed by the Court. To the extent permitted by any decision or any statute or law now or hereafter effective, the amount of any delinquent and unpaid charges or assessments, and interest, costs and fees as above provided shall be and become a lien or charge against the Unit Ownership of the Unit Owner involved when payable and may be foreclosed by an action brought in the name of the Board as in the case of foreclosure of liens against real estate. Any encumbrances may from time to time request in writing a written statement from the Board setting forth the unpaid common expenses with respect to the Unit Ownership covered by such encumbrance and unless the request shall be complied with within twenty (20) days, all unpaid common expenses which become due prior to the date of the making of such request shall be subordinate to the lien of such encumbrancer.

Section 9. The Board shall cause to be kept detailed

and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred, and such records and the vouchers authorizing the payments of such common expenses shall be available for examination by the Unit Owners at convenient hours of week days. Such payment vouchers may be approved in such manner as the Board may determine.

Section 10. The Board of Managers may cause the discharge of any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or Common Elements, rather than against a particular Unit Ownership only. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses (including attorneys' fees) incurred by reason of such lien.

ARTICLE V Use and Occupancy Restrictions

Section 1. No animals shall be raised, bred or kept in any Unit, except for dogs, cats or other household pets of a Unit Owner, provided that they are not kept for any commercial purposes, and provided that they shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the Board, and provided that they shall not in the judgment of the Board constitute a nuisance to others.

Section 2. No unlawful, immoral, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to others.

Section 3. Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall maintain a minimum temperature in his Unit in the winter as set forth by the Board, and shall not do or allow anything to be done in his Unit which may increase the rate or cause the cancellation of insurance on other Units or on the Common Elements. Each Unit Owner shall not display, hang, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible through his windows from the outside (other than draperies, curtains or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or televisions antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board or manager or managing agent.

Section 4. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in administrative rules and regulations of the Board.

Section 5. During the period of sale of the Units in the Property by the Declarant or its agents, Declarant and its contractors and sub-contractors, and their respective agents and employees, shall be entitled to access, ingress and egress to said Building and Property as may be required. Until all of the Units have been sold by the Declarant and occupied by the purchasers, the Declarant or its agents may use and show one or more of such unsold or unoccupied Units as a model apartment or apartments and sales office and may maintain customary signs in connection therewith.

Section 6. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons,

toys, furniture, clothing and other articles, shall not be stored or kept in or upon the common sidewalks or steps, or other common areas (except private patios).

Section 7. No Unit Owner shall overload the electric wiring in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or air-conditioning system or plumbing system without the prior written consent of the Board or manager or managing agent.

ARTICLE VI
Amendments

These By-Laws may be amended or modified from time to time by action or approval of a majority of the Unit Owners (as such majority is defined in the Declaration). Such amendments shall be recorded in the Office of the Recorder of Deeds of San Miguel County, Colorado.