

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

The undersigned, who are Unit Owners of the Brown Homestead Condominium owning at least eighty percent (80%) in interest of the undivided ownership of the Common Elements, adopt the following amendments to the Declaration of Condominium Ownership and Of Easements, Restrictions, and Covenants for the Brown Homestead Condominium recorded February 18, 1977, in Book 363 at page 277 in the records of San Miguel County, Colorado (Declaration), the By-laws attached thereto as EXHIBIT C, and the First Amendment to the Declaration of Condominium Ownership and Of Easements, Restrictions, and Covenants for the Brown Homestead Condominium recorded November 26, 1979, in Book 383 at page 800 in the records of San Miguel County, Colorado.

1. Subparagraph 1(k) of the Declaration is amended to read:

"Majority" or "Majority of the Unit Owners", as used in this Declaration and in the By-laws attached hereto as EXHIBIT C, means the owners of more than fifty percent (50%) in interest of the undivided ownership of the Common Elements, except where specifically defined otherwise. Any specified percentage of the Unit Owners means such percentage in the aggregate in interest of such undivided interest in the Common Elements.

2. Paragraph 20 of the Declaration, Article II Section 1 of the By-laws, and Article III Section 5 of the By-laws are amended as follows:

The percentages set forth therein are deleted and "sixty-seven percent (67%)" substituted therefor.

3. Paragraph 5 of the Declaration is amended by the addition of the following subparagraph (c):

(c) The Association shall indemnify every Board member and Officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including attorneys' fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Board member or Officer, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable of negligence or misconduct.

In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of negligence or misconduct in the performance of his duty as such Board member or Officer in relation to the matter involved. The foregoing rights shall not be

exclusive of other rights to which such Board member or Officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Paragraph 5(c) shall be deemed to obligate the Association to indemnify any Unit Owner who is or has been a Board member or Officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him as a Unit Owner under and by virtue of the Declaration.

4. Subparagraph 12(a) of the Declaration is amended by the addition of the following:

To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Unit Owners causing such loss or benefitting from such repair or restoration all deductibles paid by the Association. In the event that more than one Unit is damaged by a loss, the Association in its reasonable discretion may assess each Unit Owner a pro rata share of any deductible paid by the Association.

5. Paragraph 19 of the Declaration is amended as follows:

At page 18 of the Declaration (recorded in Book 363 at page 294), beginning in the eighth (8th) line from the top of the page, the following language is deleted:

. . . together with interest thereon at the rate of eight percent (8%) per annum until paid, . . .

and the following language substituted therefor:

. . . together with interest thereon at the rate established by the Association, but not exceeding twenty-one percent (21%) per year. . .

The following language is added to Paragraph 19:

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 reoccur more than once thereafter, then the Board, after providing the violating Unit Owner an opportunity to be heard, shall also have the power to levy a fine against the defaulting Unit Owner, and the Board shall have a lien for said fine upon the Unit and the ownership interest in the Common Elements of such Unit Owner and upon all of the additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property.

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 reoccur more than once thereafter, any Unit Owner adversely affected by the failure to comply may seek enforcement of the Declaration or regulations by legal proceeding. For each claim, including but not limited to counterclaims, cross-claims, and third-party claims, in any legal proceeding to enforce the provisions of the Declaration, By-Laws or regulations, the party prevailing on such claim shall be entitled to recover reasonable collection costs and attorney fees and costs incurred in asserting or defending the claim.

6. Article IV, Section 8 of the By-Laws is amended as follows:

At page 10 of by By-Laws (recorded in Book 363 at page 310), beginning in the fourteenth (14th) line from the top of the page, the following language is deleted:

... 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.

and the following language substituted therefor:

... and there shall be added to the amount due the costs of said suit, and other fees and expenses together with interest at the rate established by the Association pursuant to Paragraph 19 of the Declaration, as amended by the Second Amendment to the Declaration of Condominium Ownership and Of Easements, Restrictions, and Covenants for the Brown Homestead Condominium, and reasonable attorneys' fees to be fixed by the Court.

7. The Declaration is amended by the addition of the following Paragraph 27:

27. Eminent Domain.

(a) If a Unit is acquired by eminent domain or part of a Unit is acquired by eminent domain, the proceeds of the award shall be deposited with a trustee selected by the Association and shall be used and distributed as follows:

If the acquisition reduces the size of a Unit and the remaining part can be made habitable, the Unit shall be made habitable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Unit Owner. The balance of the award, if any, shall be distributed to the Unit Owner and to holders of security interests in the Unit, the remittance being payable jointly to the Unit Owner and the holders of security interests. Upon acquisition, the Unit's allocated interests shall be reduced in proportion to the reduction in the size of the Unit; and the portion of allocated interests divested from the partially acquired Unit is automatically reallocated to that Unit and to the remaining Units in proportion to the respective interests of those Units before the taking, with the partially acquired

Unit participating in the reallocation on the basis of its reduced allocated interests.

If an entire Unit is acquired, or if the acquisition so reduces the size of a Unit that it cannot be made habitable, the market value of the Unit immediately prior to the acquisition shall be paid to the Unit Owner and to each holder of a security interest in the Unit. The remittance shall be payable jointly to the Unit Owner and the holders of security interests. The remaining portion of such Unit, if any, shall become a part of the Common Elements and shall be placed in condition for use by all of the Unit Owners in a manner approved by the Board. Upon acquisition, unless the decree otherwise provides, that Unit's allocated interests are automatically reallocated to the remaining Units in proportion to the respective allocated interests of those Units before the taking. If the amount of the award for the acquisition is not sufficient to pay the market value of the condemned Unit to the Unit Owner and to place in condition the remaining portion of the acquired Unit for use as a part of the Common Elements, the additional funds required for such purposes shall be raised by assessments against all of the Units which will continue after the changes in the condominium effected by the acquisition. Such assessments shall be made in proportion to the allocated interest of such Units after the changes effected by the acquisition.

If the market value of a Unit prior to the acquisition cannot be determined by agreement between the Unit Owner and the holder of a security interest in the Unit within thirty (30) days after notice by either party, such value shall be determined by two appraisers, one appointed by each party, who shall base their determination upon an average of their appraisals of the Unit and a judgment of specific performance upon the award rendered by the appraisers may be entered in any court of competent jurisdiction.

(b) If part of the Common Elements is acquired by eminent domain, that portion of any award attributable to the Common Elements taken must be paid to the Association. Any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Unit Owners of the Units to which that Limited Common Element was allocated at the time of acquisition.

(c) The reallocations of allocated interests pursuant to this Paragraph 27 shall be confirmed by an amendment to the Declaration prepared, executed and recorded by the Association.

8. Subparagraph 4(j) of the Exhibit "C (BY-LAWS) of the Declaration is added as follows:

The Board shall carry out its affairs by various votes on issues that are presented to the Board. And these votes shall be legal in any format which the Board deems appropriate. Voting therefore may be by fax, e-mail, voice, proxy, telephone, or any other

format in which all Board members concur. If any one Board member contests a final vote on an issue, then that issue must be re-submitted and re-voted upon in a format that all Board members are satisfied with.

9. The Declaration is amended by the addition of the following Paragraph 28:

28. Deed Restrictions (a.k.a. Affordable Housing)

There currently exist in the Town of Telluride and the County of San Miguel various programs for the purpose of compensating owners of real property who deed restrict their property. These programs do three things: 1) increase the number of affordable housing units in the Telluride region, 2) pay monies to the current owner of real property for agreeing to the deed restrictions, and 3) upon the recording of the appropriate documents, the property then becomes deed restricted in many ways, some of which include (but are not limited to) residency requirements of who may own it, how much one can pay for it, and how much one can lease it for, how much one can sell it for, etc. In effect, the real property in question is no longer available on the "open market" (i.e. at market prices).

The Association recognizes the need for affordable housing in the Telluride region

And the Association recognizes that two of the units at the Brown Homestead Association are, as of August 28, 2001, already part of the aforementioned deed restricted programs-----units E-1 and D-3/5. And the participation of these two Unit Owners in the particular affordable housing (i.e. deed restricted) program is accepted and is not being challenged by the Association

The Association now wishes to affirm that it does not wish to have additional Units participating in the program.

Therefore, no right or interest in a Unit, including any lien or encumbrance, may be granted, sold, or conveyed to a public or private entity, agency or authority that requires or permits the Unit to be subject to any restriction or limitation on the amount for which the Unit may be rented or sold. No deed or other instrument of conveyance of a Unit shall contain any restriction or limitation on the amount for which the Unit may be rented or sold. Any encumbrance, grant, sale conveyance or instrument which violates the provisions of this paragraph shall be void and have no legal effect.

Any Unit Owner who so elects to participate in any such program, against the wishes of the Association, recognizes that it then could be liable for any legal actions and fees brought by the Association to render the deed restriction null and void and to therefore bring to Unit back to "open market" status.

10. The Declaration is amended by the addition of the following Paragraph 29:

With reference to the original Declaration of Condominium Ownership, recorded Feb

18, 1977 in Book 363, page 277, and as amended by the First Amendment to Declaration of Condominium Ownership, recorded November 26, 1979 in Book 383, page 800, there are additional plats referred to therein which have been subsequently recorded, as follows:

Subdivision of Brown Homestead P.U.D. (including Richmond Tract and Vass Tract and Condominium Common elements) recorded May 20, 1976 in Plat Book 1 at page 68

Brown Homestead Condominium Buildings D and E, recorded March 8, 1977 in Plat Book 1 at page 85

Replat of Richmond Tract and Vass Tract, recorded Jan 5, 1979 in Plat Book 1 at page 182

Brown Homestead Condominium Buildings A and B, recorded November 9, 1979 in Plat Book 1 at page 184

Replat of Richmond Tract and Vass Tract, recorded July 10, 1984 in Plat Book 1, page 501

IN WITNESS WHEREOF, the undersigned owners have executed this Second amendment on the dates indicated on their individual signature pages attached hereto.

OWNERS SIGNATURE PAGE

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

UNIT A-2

Leonard Rybicki
Leonard Rybicki

May 8, 2002

STATE OF New Jersey)
COUNTY OF Hudson) SS.

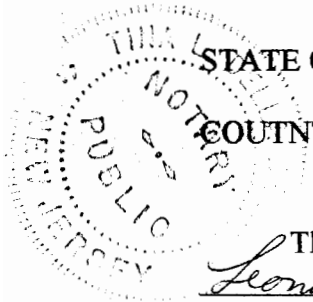
The foregoing was acknowledged before me this 8th day of May, 2002
Leonard Rybicki by
Leonard Rybicki.

Witness my hand and official seal.

My commission expires:

Tina L Della Bella
Notary Public

TINA L. DELLA BELLA
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 4, 2006



OWNER'S SIGNATURE PAGE

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FOR
THE BROWN HOMESTEAD CONDOMINIUM**

UNIT A4/6

Harold Miller
Harold Miller

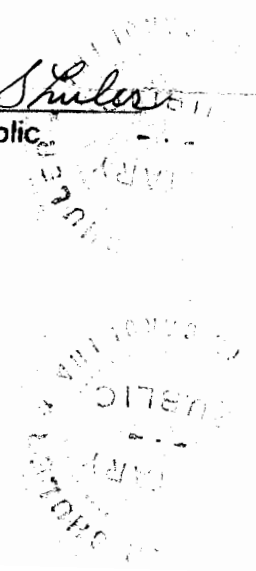
STATE OF South Carolina)
COUNTY OF Orangeburg) ss.

The foregoing was acknowledged before me this 26 day of April, 2002 by Harold Miller.

Witness my hand and official seal.

My Commission expires: 4-5-2010

Mary Ann Shuler
Notary Public



OWNER'S SIGNATURE PAGE

SECOND AMENDMENT TO DECLARATION OF
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HOMESTEAD CONDOMINIUM

UNIT B-1


Doug Geissler

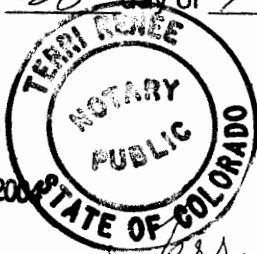
STATE OF Colorado)
COUNTY OF San Miguel)

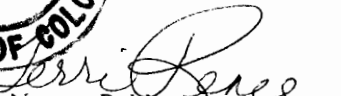
SS.

The foregoing was acknowledged before me this 26 day of April by
Doug Geissler

Witness my hand and official seal.

My Commission expires: ~~My Commission Expires: 09/21/2002~~

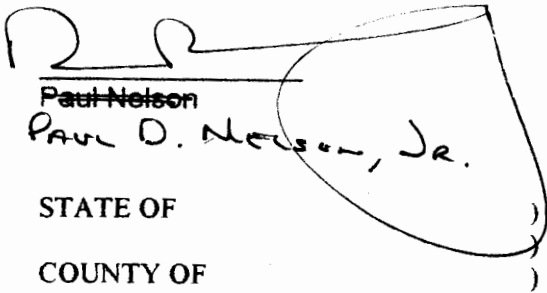



Notary Public

OWNER'S SIGNATURE PAGE

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

UNIT C-1


~~Paul Nelson~~
Paul D. Nelson, Jr.


Helen Nelson

STATE OF

COUNTY OF

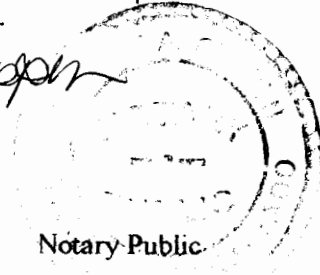
ss.

The foregoing was acknowledged before me this 24th day of April, 2002 by
Paul Nelson and Helen Nelson

D. Jr.
Witness my hand and official seal.



My Commission expires: October 18, 2002



Notary Public

OWNER'S SIGNATURE PAGE

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UNIT C2

Christine C. Merritt

Christine Merritt

STATE OF Colorado)
COUNTY OF Ouray)

ss.

The foregoing was acknowledged before me this 9th day of May, 2002 by Christine Merritt.

Witness my hand and official seal.

My Commission Expires: 01-14-2005




Becky Blankmeyer
Notary Public

OWNER'S SIGNATURE PAGE

SECOND AMENDMENT TO DECLARATION OF
CONDOMINIUM OWNERSHIP AND OF EASEMENTS,
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HOMESTEAD CONDOMINIUM

UNIT D-2

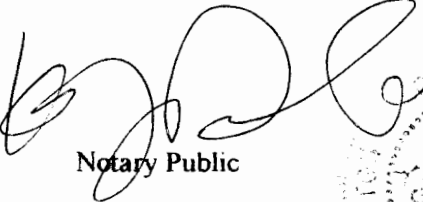
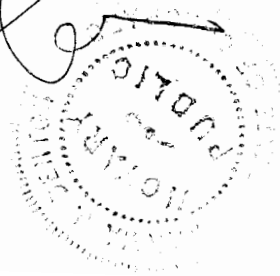

Barrett Stein

STATE OF Colorado)
COUNTY OF San Miguel) ss.

The foregoing was acknowledged before me this 29 day of May, 2002 by
Barrett Stein

Witness my hand and official seal.

My Commission expires: 12-17-05


Notary Public


OWNER'S SIGNATURE PAGE

SECOND AMENDMENT TO DECLARATION OF
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HOMESTEAD CONDOMINIUM

UNIT D-3/5

David Colby

Thomas Mortel
Thomas Mortel

STATE OF COLORADO)
COUNTY OF SAN MIGUEL)

ss.

The foregoing was acknowledged before me this 28th day of May, 2002 by
~~David Colby and~~ Thomas Mortel

Witness my hand and official seal.

My Commission expires:

My Commission Expires May 9, 2003



Linda J. Hancock
Notary Public

OWNER'S SIGNATURE PAGE

**SECOND AMENDMENT
TO
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EASEMENTS, RESTRICTIONS, AND COVENANTS
FOR
THE BROWN HOMESTEAD CONDOMINIUM**

D 416
UNIT 6375

John G. Waggener
~~John G. Waggener~~
J. Scott Deasy

Mary D. Waggener
~~Mary D. Waggener~~
Kathy S. Deasy

STATE OF Arizona }
COUNTY OF Cocconino } ss.

The foregoing was acknowledged before me this _____ day of _____ by
~~John G. Waggener and Mary D. Waggener.~~
J. Scott Deasy Kathy S. Deasy
Witness my hand and official seal.

My Commission expires: _____

Notary Public

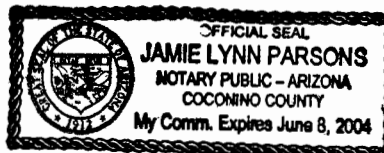
STATE OF ARIZONA }
COUNTY OF Cocconino } ss.

This instrument was acknowledged before me this
10 day of May, 2002 by Kathy S. Deasy
In witness whereof I herewith set my hand and
official seal.
Notary Public *Lori M. Garcia*



STATE OF ARIZONA }
COUNTY OF Cocconino } ss.

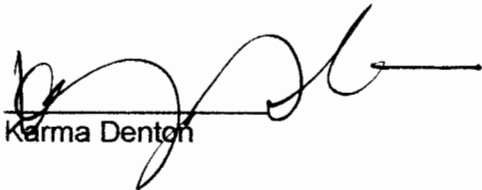
This instrument was acknowledged before me this
2 day of May, 2002
by J. Scott Deasy in witness
whereof I herewith set my hand and official seal.
Notary Public *Jamie Lynn Parsons*



OWNER'S SIGNATURE PAGE

SECOND AMENDMENT TO DECLARATION OF
CONDOMINIUM OWNERSHIP AND OF EASEMENTS,
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HOMESTEAD CONDOMINIUM

UNIT E-2


Karma Denton

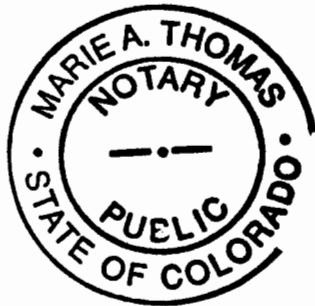
STATE OF Colorado)
COUNTY OF San Miguel)

ss.

The foregoing was acknowledged before me this 1st day of May, 2002 by
Karma Denton

Witness my hand and official seal.

My Commission expires: 02/05/05

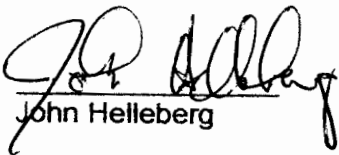


Marie A. Thomas
Notary Public

OWNER'S SIGNATURE PAGE

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

UNIT B-4/6


John Helleberg

6/17/02

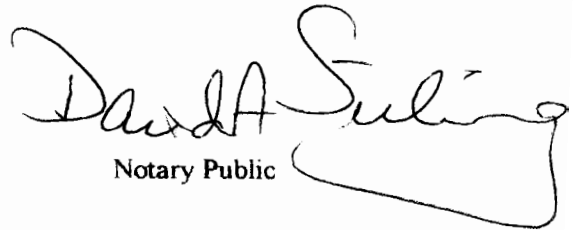
STATE OF California)
COUNTY OF Los Angeles)

ss.

The foregoing was acknowledged before me this 17 day of June, 2002 by
John Helleberg

Witness my hand and official seal.

My Commission expires: 10/9/2003


Notary Public

